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Opportunities for Selected Canadian Value-Added Food Products

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Prepared for:

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By:

Achievers' Resources Private Ltd., New Delhi, India

Table of Contents

Executive Summary
1 - Snack Foods
2 - Fruit Juice
3 - Frozen Foods
4 - Dairy Products
5 - Alcoholic Beverages
6 - Regulatory Environment for Processed Food Industry
7 - Strategic Options and General Recommendations
Annex I - Luxury Hotels in India
Annex II - Bonded Stores/Diplomatic Commissaries
Annex III - Some leading importers of value added food products in India
Annex IV - Important multinational food companies operating in India
Annex V - Leading Indian manufacturers of food products

Executive Summary

Today, the Food Processing Industry sector in India is one of the largest in terms of production, consumption, export and growth prospects.

With a population crossing 1 billion mark, India has the potential to be one of the world's largest market for value added agri-food products. Almost 50% of the population is under 20 years of age, providing a

large base of consumers for several decades to come. India's middle class is estimated at 250-300 million people, the majority of whom earn between $1,200 and $3,600 US per household per year, an amount that is short of what many deem to be the income required to purchase value-added food products ($5,000 US). Yet, about 30-40 million Indians earn $20,000 US or more a year, a huge market by any standard, but scattered all over India in major cities. The consumption and living patterns of this emerging middle class is comparable to those in western market economies during the 1960s.

At present per capita consumption levels of processed food items are low, but with increased urbanisation, changing lifestyles, growing per capita income and spending patterns have resulted in a rapid expansion of the domestic market. Increased female literacy (up from 29.8% in 1981 to 39.4% in 1991), an increase in the number of working women and the diminishing extended family system and emergence of nuclear families have led to an increased demand for convenience foods. The institutional (hotels, airlines, hospitals and defence services) and tourism sectors are also rapidly growing, with marked increases in international, domestic, business and leisure travel. The use of foreign brand names is now freely permitted, even for sales in the domestic market.

The government has accorded it a high priority, with a number of fiscal relief and incentives, to encourage commercialisation and value addition to agricultural produce; for minimising pre/post harvest wastage, generating employment and export growth. To keep pace with this growing demand, the food processing in India is committed to become high-tech and high-volume, able to supply both the domestic and world markets.

With investment reforms, including the almost complete delicensing of food processing industries, the processed food sector has drawn a large chunck of Foreign Direct Investment in the last few years. As a result of several policy initiatives undertaken since liberalisation in August 1991, the industry has witnessed fast growth in most of the segments. As per a recent study on the food processing sector, the turnover of the total food market is approximately Rs.250,000 crores (US$55 billion) out of which value-added food products comprise Rs.80,000 crores (US$18 billion).

Since liberalisation in August 1991 and up-till February 2000 proposals for projects of over Rs.53,800 crores (US $12 billion) have been proposed in various segments of the food and agro-processing industry. Besides this, Government has also approved proposals for joint ventures, foreign collaboration, industrial licences and 100% export oriented units envisaging an investment of Rs.19,100 crores (US $4.2 billion) during the same period. Out of this, foreign investment is over Rs.9100 crores (US $2.0 billion.

Important sub sectors in food processing industries are: - Fruit & Vegetable Processing. Milk Processing, Meat & poultry Processing, Packaged and Convenience Foods (including snack foods), Alcoholic and non-Alcoholic beverages.

Primary food processing is a major industry with hundreds of thousands of rice-mills/hullers, flour mills, pulse mills and oil-seed mills. There are several thousands of bakeries, traditional food units and fruit/veg./spice processing units in unorganised sector.

It has large marine product and processing potential with varied fish resources along the 8041 km. Long coastline, 28000 km. of rivers and millions of hectares of reservoirs & brackish water. India's livestock population is largest in the world with 50% of world's buffaloes and 20% of cattle, but only about 1% of total meat production is converted to value added products.

India is the largest milk producer in the world (78 million tonne in 1999-2000), 15% of this is processed through the organised sector.

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Size of the semi-processed and ready to eat packaged food industry is over Rs.4000 crores (US $0.8 billion) and is growing at over 20%.

The growing food processing industry is poised to dominate the palate of Indian households in the near future. With the Government of India providing incentives and an easier working environment for foreign investors, both the Indian corporate sector and multinational corporations (MNCs) have jump-started the food processing industry, with participation from farm to factory.

While there are more than 300 giant corporations in India including multinationals, small and medium sized firms are leading the country's economic growth. Much like in Canada, these companies possess the entrepreneurial spirit for success. India offers opportunities for Canadian food processing SMEs to join with Indian SMEs for domestic and global rewards.

This report presents a broad perspective of the Indian market for processed foods in selected sectors. They are snack foods, fruit juices, frozen foods, dairy products, and alcoholic beverages. Each of these products are covered on the following points: Domestic Industry - Production and Demand; Import demand of institutional sector; market trend; infrastructure and distribution; major players; import regulation; custom duties; opportunities for Canadian companies, and strategy for Canadian companies.

In order to facilitate the business the report also provides contact details of luxury hotels in India, bonded stores and diplomatic commissaries, leading importers of value-added food products in India, important multinational food companies operating in India and leading Indian manufacturers of food products in annexes.

Utility of this report, thus, lies in its ability to give directions to anyone interested in the Indian food market. The report also covers an overview of the Indian food market in selected sectors along with the review of current government food laws and policy as it impinges on the import of processed foods into India.

We are conscious that some market estimates can be improved upon and an additional background information could be provided. In spite of these limitations, we believe this report will be an excellent reference point for those who are interested in this rapidly growing market of more than a billion population.

Chapter 1 - Snack Foods

Domestic Industry: Production and Demand

The Indian snack food market is large, diverse and dominated by the unorganised sector. In homes throughout India, the "namkeen" (salty snacks) in its various forms is nearly omni-present and is consumed at different times of the day. Looking at the market potential of branded snack foods, a number of large companies have now entered this market with a fair range of ready-to-eat snacks. While initial forays of large manufacturers were limited to the potato chips segment, today a number of variations of standard chips as well as a number of soya, corn and potato extruded sacks are also available in the Indian market. Present overall production is estimated at 350,000 tonne, valued at about Rs. 14 billion. This includes production in organised sector as well. Of the wide range of snacks available, like *namkeens (salty snacks)*, Chips, *papadums* and bakery snacks like biscuits constitute a sizeable segment.

One of the major snack food items is Potato Chips, which is produced mainly by the unorganised sector in India. The unorganised sector manufactures potato chips with fat content ranging from 20% to 40% and moisture content as high as 3-4%. These products are manufactured locally and sold loose or in ordinary poly-pouches. In the last 4-5 years, however, the organised market has grown considerably catering to upper/ middle class consumers in the urban areas. The organised market for chips is estimated to be 6,500 tonnes valued at Rs. 2 billion.

The market for branded chips has been growing at a fast pace of around 20 per cent and is estimated to touch 10,000 tonnes by 2003. Heavy promotions by branded chipmakers (like offering free gifts, toys, etc. with these products), has led to a major shift from unbranded to branded products. Currently Uncle Chipps and Fritolays are the market leaders. Rest of the market is divided among the local players.

Most of the namkeens (salty snacks) are made out of chickpeas, pulses, edible oil, groundnuts and spices. Depending upon the seasonal variations in the crop prices and availability of raw materials, their prices fluctuate very much in the market and affect the profitability of the business to a large extent.

Bakery products like biscuits are widely used as snacks both in rural as well as urban India. Cakes and speciality breads are popular in urban centres. Industry experts, feel that demand for premium variety of bakery product is likely to increase. This is the segment in which large manufacturers will be competing most.

The organised sector operates on a much larger scale with capital intensive facilities and spends considerably on packaging as well as better quality raw material. This leads to higher cost and premium pricing.

Import Demand of Institutional sector:

Besides upmarket, hotel industry imports premium quality baked snacks for the guests but due to high custom duty it is very limited. India's present imports of Cereal based preparations are around Rs. 275 million

Market Trend:

Snack foods are impulse purchase products, and there is an element of indulgence associated with them. Gradually it is acquiring an important place in the shopping list of upper and middle class income group. Indian consumer buys it only if it catches his eye at the outlet or is accompanied by a child who finds potato chips a fun snack. So, leading players have stressed on attractive packaging and promotions targeted at children to increase consumption.

As these products are generally fun eat, brand loyalties are not strong and consumers look for novelty and new flavours.

There is no notable difference in consumption pattern across various age groups.

Taste varies widely across the regions. For instance in South, banana chips are extremely popular which do not find many acceptances in other parts of the country. In east, *Paaprichaat* is very successful whereas in Mumbai, *bhelpuri* (traditional snack) and *pavbhaji* (traditional snack) *has* been a great success.

The products are differentiated on the basis of flavors (salted, mint, spicy etc, plain/ ridged) or on the basis

of ingredients i.e. potato, banana chips etc.

Penetration is much larger in the northern region, which represents the largest market around 50% of total Indian market because both large players of chips i.e. Uncle Chipps and Fritolays are located in northern India.

These products are marketed in small pack sizes, as a lower unit price makes the product appear affordable.

Raw material and packaging are the two basic cost factors. The organised players follow rigorous quality control of raw material and maintain high hygiene standards at their manufacturing facilities. This results in a much higher cost of production, thereby making them price uncompetitive in comparison to their small-scale unorganised counterparts.

Leading players try to woo consumers with attractive packaging and designs. Besides the technology of packing the product with nitrogen filled pouches, which helps to keep the product fresh for a longer shelf life, it also increases the cost.

Most Indian potatoes are table potatoes with a high sugar content and unsuitable for making chips. Leading players attempt to source low sugar potatoes from different parts of the country, thus adding to the raw material cost . Currently, the companies use both low and medium-sugar potatoes, which lead to browning of chips.

Both the leading players, Frito-Lay and Uncle Chipps have exclusive sourcing arrangements with farmers for procurement of major raw material - low sugar potatoes. While Uncle Chipps has adopted a strategic plan for seasonal procurement of low-sugar potatoes, Pepsi has an ongoing Pepsi Agri Backward Integration programme with farmers in Punjab. Through this project, the farmers are being encouraged to grow low-sugar potatoes.

The large biscuit units in the organised sector continue to enjoy growth in sales of their brands by framing out production to smaller units, to whom they pay conversion charges. It is difficult to estimate the size of unorganised sector, as a host of small bakeries in every city, produce a variety of biscuits, usually sold by weight in unpacked form. Production in unorganised sector is about 1 million tonnes. The organised sector sells primarily in the urban markets, the rural market is growing but it is catered to mainly by unorganised sector. Glucose biscuits are the largest selling variety of the biscuit. On a national basis just four to five brands like Parle, Britannia, Ampro, Bakeman, Priyagold, and Creamica account for 75% of market share.

The cake market is highly fragmented, with a host of small regional player and numerous bakeries. The cake market normally offers a range of sponge cakes, fruit cakes and pastries. The Localised bakeries in unorganised sector account for more than half of the total cake market. The market size is about 10,000 tonnes valued at Rs. 800 million.

Infrastructure and Distribution:

Distribution is also one of the key parameters for expanding market share. Most of the snack food manufacturers are local or regional players. Snacks are sold through stockists and through conventional retail channels. Stockists are given the margin of 5% and retailers are given the margin of 12-20%. A few players like, Ruffles-Lays has the advantage of formidable distribution network. Uncle Chipps is retailed through around 600,000 outlets across the country.

Major players:

In salty snacks and chips business:
- Frito Lay's India Ltd (of Pepsi Foods), with its Ruffles, Cheetos and Hostess brands
- Uncle Chipps Company Limited with its Uncle Chipps brands.
- M Foods (a division of S M Dyechem) with its Peppy brand and Monginis Wafers which is sold at their exclusive retail outlets have a strong presence in the Western Region. There are several other regional and local brands.

A new product segment that has come up is savouries with Mexican flavour like S M Dyechem's Tortilla Chips brand. During the last decade, several large Indian companies (such as Indian Organic Chemicals, Greenfield Process Food, Premnath Monga Industries) made unsuccessful attempt to enter the product category. Some other well known brands are Hostage, Binnie's, Funmunch, Hello, Twinkle, Marvel and OK.

Indian players like Haldiram, Bikanerwala and Aggarwal are making their presence felt nationally. Parle, Britannia, Bakeman's, Ampro, Modern, and Priyagold are known for their bakery products.

Import Regulations:

There is no restriction on import of Snack foods.

Custom Duties:

Total import duty on snack foods ranges from 44.04% to 67.086% ad valorem.

Opportunities for Canadian Companies:

Most of the snack foods in India are in proprietary food category except those, which are clearly defined in PFA Act. Canadian companies must compare their recipes with the Indian food laws because all imported foodstuffs must meet the provisions of Indian Food laws.

At present the custom duties are also high for snack foods. This will be a big disadvantage for imported snacks in price sensitive category of Indian markets.

Baked snacks and roasted Snacks are the potential areas. Indians prefer salty and spicy snacks. It is important for Canadian Companies to design the products to suit Indian taste buds. Chocolate-coated bakery snacks are popular with kids but due to absence of brand value the retailers push will be the only option in short run. Cheese based Snacks are also becoming popular. Bakery products like sticks, rolls and similar products are becoming popular with upper class of society.

Chapter 2 - Fruit Juice

Domestic Industry: Production and Demand

Packaged Juice Industry as such is not a big market so far. There are certain Juice based drinks in market mainly launched by soft drinks companies, to leverage on their distribution network. The existing popular brands of Fruit based beverage are Frooti, Jumpin, Mazza, Safal and Slice. The famous brands in Juice

segment are Tropicana and Real.

The fruit drink market is around 250 million bottles or packs per year, in value terms it is around Rs. 4,500 Million, whereas the existing packaged fruit juice market is 20 million litres valued at around Rs. 1,000 Million per annum.

There are only five major players (Berri, Enkay Foods, Dabur, NOGA and Tropicana) in juice sector and this provides opportunities for Canadian companies to enter the Indian food market. Other factors, which are likely to stimulate growth in this market, are the increasing health consciousness among the Indian consumers and increase in per capita income.

Fruit Juice Demand of India's Institutional Sectors:

Fruit juices are becoming popular food item at breakfast tables in Indian homes as well as in hotels. Currently in luxury hotels freshly prepared juices are common whereas economy hotels are using canned juices. Institutional and hospitality sector accounts for more than 60% of packaged juice market.

Infrastructure and Distribution Channels:

Fruit juices are available only in Tetra Pak packages since1995. Because of its success in fruit juice based drinks Tetra Pak packages were obvious choices by the juice marketing companies. A bottling plant needs large catchment area to become viable and retailers find the cost of dealing in bottles too high. At the same time outlets need to be geographically concentrated for optimal management of the logistics of returnable bottles. Factors such as these, work in favour of paper laminate packaging. Fruits juices are distributed through conventional retail channels and networks. Public sector institutional buying is also of great significance. Two other channels of some importance are sales through canteen stores and outlets at Railway stations.

By putting-up the refrigeration facilities by individual companies are bound to stimulate growth in this market, but this will increase the cost of doing business.

Market Trends:

Indians, by tradition, are fruit eaters' not fruit juice drinkers. At the same time fruit juice concept in India is very old and mainly associated with healthy and nutritious drink both for healthy and sick persons.

So far Indian food market had very limited activity in the fruit based beverage markets but recently juice is becoming the major area of attraction. Of the five brands of 100 percent pure orange juice, namely Tropicana, Real, Onjus, Berry, NOGA, 'Real' sells the most, though Tropicana is fast catching up. Sales of all the other brands have increased in the past year.

Nuclear family with high purchasing power, open for new concepts and always short of time is the target consumer segment. Ultimately, the market lies in home consumption of pure juices.

Lately Indian Companies like Dabur and Enkay Foods and multinationals like Tropicana and Berri Ltd of Australia are becoming aggressive in the juice market.

Tropicana Beverages Co has reported a steady growth pattern for its internationally acclaimed orange juice drink, Tropicana, in the Indian market.

Berri Ltd, Australia's largest manufacturer of fruit and vegetable products, is looking at achieving an annual volume of around 10 million litres in the country.

Tropicana and Berri juices are reportedly 100 per cent natural with no preservatives, and they do not contain any added sugar either. The companies also use innovative packaging i.e either aseptic Tetra Pack or by bottling the juices at high temperatures, facilitate pasteurisation of the juice inside the bottle.

Of the Rs. 1.0 billion domestic packaged fruit juice market (including tinned juices), Tropicana is looking at a substantial double-digit share in its first year itself.

Tropicana orange juice was launched in Delhi and Bangalore in May/June'1999. Ever since, it has reportedly built up a retail strength of about 2,000 outlets in Delhi and over 1,000 in Bangalore.

At the same time, Berri is careful in choosing distributors, and insists that they meet eight criteria, including experience in distribution of consumer goods, no association with competing products or brands, and an interest in embarking on a long-term relationship aimed at building the Berri brand. Represented in India by a single agent based in Kochi, the product will be distributed in Tamil Nadu and Pondicherry by the Chennai-based Company. First launched in Kochi and then Chennai, Berri will be available in New Delhi, Mumbai and Calcutta.

Juice being a perishable and taste-sensitive product, one has to work towards building a strong distribution mechanism.

Tropicana Beverages has also launched some of the brand's other variants like grape and pineapple juice. There is a world-wide trend away from soft beverages towards healthier products. India is not exception.

Of the two pack sizes that Tropicana is available in (250-ml and 1-litre packs), it is the 1-litre pack that has been doing better in the Delhi market. While the 250-ml tetra-pak is priced at Rs. 15, the 1-litre home consumption pack is tagged at Rs. 57.

The Berri's juices come in flavours such as apple, orange, orange-mango, apricot and apple-lime, and are available in three sizes -a 250 ml 'gulper', 1- and 2-litre bottles.

Import Regulations:

There is no restriction on import of Fruit Juices into India.

Custom Duties:

Total import duty on fruit juices is 44.04% if imported in unit container and without brand name, whereas import duty on fruit juices in unit container bearing Brand name is 67.086%.

Strategy for Canadian Juice Companies:

This Industry is growing very fast; Canadian Companies can take the advantage of the growing market provided the price of the product is at par with the existing international brands in Indian markets. Orange Juice and juices of other temperate fruits can be good products for Indian markets.

The best way is to supply in bulk for packaging in consumer packs, by an existing company in India to reduce the transportation and distribution costs and to reduce the custom duties.

Intensive advertising and promotion campaign can definitely generate more interest in the juice sector than other impulse purchases at the consumer level.

It is the right time for Canadian companies to enter this under-exploited juice markets with their products, as all the remaining QRs are going to be lifted in April'2001 under the WTO agreements.

It is strongly recommended that Canadian suppliers should participate in sectoral trade fairs to promote their products.

Chapter 3 - Frozen Foods

Domestic Industry: Production and Demand

Frozen Food Industry in India is still at a nascent stage compared to Ice cream. Frozen Foods in Indian market includes the following products:

- Frozen Vegetables (peas, cauliflower)
- Frozen Chicken
- Frozen Dairy Products : like *Paneer* (Similar to Cottage Cheese), *kulfi*, Ice-creams
- Frozen Meat and Sea foods: mainly for exports

Frozen Vegetables other than peas are almost entirely exported. The domestic market for frozen vegetable is restricted to frozen peas and, to a very small extent, frozen corn and cauliflower. Frozen Vegetables are sold mainly in Mumbai and Delhi market, which accounts for 75% of the sale. The market size for frozen peas is estimated at about 6000 - 7000 tonnes per annum.

Frozen Chicken is a broiler, which is dressed and is frozen by blast freeze process. There are only four plants in the country. The market size is approximately 15,000 tonnes per year.

Frozen Desserts, as a concept is not entirely alien to India. The product is sold in variety of form. The ice cream market in India is currently estimated to be 160 million litres valued at Rs.6.5 billion (MRP Rs. 9 billion). The market growth during the late '80s and in the early '90s was very low at around 2-3% pa. Since the last two years, the market has been witnessing a much faster growth at around 10-12% pa.

Lately French fries are becoming popular because of fast food joints. Preparation of french fries at home is still not common in India. McCain foods of Canada and Lamb Western of USA have already set-up wholly owned subsidiaries in India to market frozen French fries.

Frozen Paneer is also introduced in the market by Gujarat Co-operative Milk Marketing Federation (GCMMF).

Frozen meat and Seafood are processed mainly for export markets.

Following the government's "dereserving" of ice cream products in 1996 and 1997, the industry saw big changes. The domestic dairy co-operative sector entered the market in late 1996, launching a price war that caused many small and medium-sized businesses to leave the market or merge with large-scale producers. These large companies expanded their distribution networks and broadened offerings.

Currently consumption of frozen food is largely limited to upper income households but with increased availability and penetration of refrigeration facilities into middle income households this market is expected to increase. Microwave cooking is at very initial stage in Indian society. An increase in the product range is also expected once the quantitative restrictions are removed.

It is also important to note that because of poor cold chain infrastructure, the frozen foods have to travel along with ice-cream route to become viable in distribution network. High tariffs, lack of cold chain infrastructure and inefficient distribution systems will continue to bottleneck the import market for the short term, but an increasingly affluent younger generation wants to try new tastes. Manufacturers should keep an eye out for market changes and opportunities as India's consumers demand diversity in their food choices.

Removal of licensing restrictions and investment by new players in capacity and market expansion, is expected to lead to rapid demand growth in the sector. A 10-12% pa volume growth can be sustained for a period of two decades, due to the fact that current base of consumption is extremely small.

Food Import Demand of India's Institutional Sector:

Approximately half of the market for frozen peas is made up of sales to the institutional market: to hotels, restaurants, caterers, and industrial canteens. The market outside Mumbai and Delhi has yet to develop. Part of the reason why these smaller markets have not developed is the absence of reliable network of Cold storages.

Institutional buyers like hotels because of hygiene, saving in labour cost and waste disposal problems prefer frozen Chicken.

Frozen Dessert especially Ice cream is purchased in bulk packs of 3 litres and above.

Infrastructure and Distribution Channel:

Distribution of frozen foods is limited due lack of cold storage facilities. Frozen food distribution in India usually involves a distributor, wholesaler and retailer. Because of long distances between production centre and consumption markets and gaps in the cold storage chain, most brands have small regional operations with production facilities located near major markets.

National brands may opt for cold-storage facilities in major consumption centres or acquire smaller production facilities close to the retail outlets.

Retailers, numbering around 70,000, operate through fixed outlets or mobile push carts, tricycles or three-wheelers.

The ice-cream distribution chain typically consists of a distributor stockist and the retailer. Most players have regional operations with production facilities located near the market as adequate cold chain facilities for transportation over long distances is not available. Distribution of national brands is done through owned or leased cold storage facilities located in the major consumption centres from which supplies are sent to distributors or directly to retailers.

The retail network for ice cream consists of exclusive ice cream parlours, which may be company owned or franchise outlets and other fixed and mobile retail outlets like provision stores, hotels and restaurants.

Retail margins are high, at around 18-20%.

The leading players were unable to invest adequately to develop an infrastructure of cold chain for storage and distribution. Erratic power supply and shortage of power in most parts of the country have been the major factors limiting growth of a cold chain. As a result, there was a dearth of good quality products in the market and also lack of adequate infrastructure to distribute the same.

Institutional buyers directly source from the manufacturers or the dealers of the company.

Market Trends:

Most of the frozen foods are in small consumer packs like 250 gms and 500 gms.

Though still limited mostly to urban areas during the summer, the frozen foods market is already showing signs of diversification from main products i.e. ice cream to yoghurt and curd.

Importers catering to high-end consumers are selling imported frozen foods and ice creams to hotels, supermarkets and up-scale shopping outlets. Example Bluebunny Ice creams from USA.

Ice creams are available in various forms such as cone, cups, bar (candy), party pack etc. Candy sticks account for about 25-30% of volumes, whereas cups and other novelties contribute the rest.

Frozen desserts market in India is very small and refers to oil fat (instead of milk fat) based ice creams. Besides, a wider range of frozen desserts is also made in-house and served in 5 star hotels. The growth rate could have been even higher but for poor infrastructure, (still) high excise duty/ sales tax etc. (Excise on ice cream was increased from 13% to 16% in1999 -2000 budget.)

Removal of licensing restrictions and investment by new players in capacity and market expansion, is expected to lead to rapid demand growth in the sector.

There is a significant seasonality in ice cream consumption in India. Consumption goes down significantly in winter to about 40% of average consumption in the North and 60% in West and South.

Almost 40% of the ice cream sold in the country is consumed in the Western region with Mumbai being the main market, followed by 30% in the North and 20% in the South. The Eastern region has the lowest consumption level at 10% of national consumption.

Consumption of branded ice creams manufactured by organised sector is restricted to large metropolitan cities like Mumbai, Delhi, Ahmedabad, Bangalore etc. The organised players have not been able to extend their distribution chain to small villages/ towns due to small size of market and non-availability of cold chain.

Ice cream penetration at all India level is estimated to be 13.3%. The penetration is understandably higher in large metros at 29% compared to 23-24% in small/ medium towns. The same in rural areas is low at 9.5%. In rural areas, kulfis/ ice creams made by small/ cottage industry are popular.

Ice cream is becoming very popular in outdoor catering and social functions replacing traditional desserts and sweets.

Major players

The Indian Ice cream market is dominated by a large number of small local manufacturers and regional players. There are an estimated 150 manufacturers in the organised segment, which accounts for 40% of sales and about 2000 units in the unorganised market.

In the organised segment, the significant brands are Kwality Walls, Vadilal, Amul and Mother Dairy.

Major National Players and their Brands:
Hindustan Lever: Kwality Walls, Dairy Classic, Max
Vadilal International: Vadilal, Dairy Fresh
GCMMF/Other Milk Co-operatives: Amul, Mother Dairy, Mafco
Maharashtra Dairy Products
Baskin Robbins

Recently, multinational ice cream brand, Blue Bunny, entered the market.

Regional Players:

Besides the main national brands there are other premium brands which have carved a niche for themselves in their respective regional markets. These players have mostly concentrated on the large metro cities. These players sell through their exclusive parlours. The major national players sell through franchise parlours as well as through retail stores, groceries, restaurants, hotels, roadside stalls on highways, etc.

Regional Players and their Brands:
East: Tulika, Rollicks (Indus Ice creams))
West: Nature World, Naturals (in Mumbai only); Dinshaw's (in Maharashtra only); Havmore (in Gujarat only)
North: Mother Dairy, Nirula's
South: Arun (Hatsun Foods), Joy

Food Laws of Frozen Foods:

Prevention of Food Adulteration Act, requires a minimum of 10% fat, 15% sugar, and 35% of total solid matters in ice creams. Ice cream manufactured with modern technology contains about 80 to 100% overrun. The key non-fat solid matters are skimmed milk powder and sugar. Ice creams normally contain milk fat but there are several varieties (called frozen desserts) which contain vegetable oil/fat. Butter cost is about Rs. 120 per kg, skimmed milk powder Rs.60 per kg (Rs.45 in season time) and sugar costs is about Rs15 per kg.

Frozen Desserts so far not explicitly defined in Food Laws have a lower dairy fat content of 4%, compared to ice creams which the Bureau of Industrial Standards defines as containing not less than 10% fat. Typical components by weight, of an average-composition ice cream are, 12% fat, 11% non-fat milk solids, 15% sugar, and 0.3% vegetable gum stabiliser.

Several laws apply to ice cream sales in India. To call a product "ice cream," two basic requirements must be met as per PFA Act: The product must have at least 10-percent milk fat and use sugar (sucrose) as the sweetener. Though there is a potential market for fat-free and sugar-free ice creams, the country's food laws don't permit them yet.

For **labelling and packaging requirement** please refer to chapter on Food laws in this report. Though

high tariff on imports limits the demand, there are consumers looking from premium brands and are willing to pay the difference.

Import Policy:

Most of the frozen food items, except frozen meat and frozen potatoes, are free to be imported. However, frozen French fries, are permitted to be imported.

Restricted items means consumer goods not permitted to be imported except against a licence or in accordance with public notice issues in this behalf.

Custom Duties:

Total import duty on frozen foods ranges from 44.04% to over 100% in case of frozen chicken.

Strategy for Canadian Companies:

The success of two foreign major players, McCain Foods of Canada and Lamb Western of USA in the frozen fries segment and Blue Bunny and Buskin Robins in ice cream segment is an indication of the frozen food market opportunity in India.

The next few years is likely to see a fierce battle for dominance between the domestic players and the multinationals. In the process, it is quite likely, that fringe players will vanish or be taken over.

Canadian companies should target the institutional market and should sell their produce at a competitive price. They should directly target the consumer market through an aggressive marketing campaign including persuading the consumers that frozen food is healthy and they should also educate them about the benefits of frozen foods. The new varieties should be launched to attract the consumers.

Direct distribution of their produce to cold storages will help in wide penetration in the retail and institutional markets.

With such level of activity, entry of multinational companies in this sector will result in expansion and growth of frozen food market. Consumer tastes are expected to move away from traditional to more varied products.

Chapter 4 - Dairy Industry

India with 204 million cows and 84 million buffaloes has the largest population of cattle in the world. Milk production gives employment to 70 million dairy farmers. In terms of total production, India ranks 1st with a production of 78 million tonnes in 1999-2000. Although milk production has grown at a fast pace during the last three decades, milk yield per animal is very low in India at around 1.5 lts per day. The main reasons for the low yield are lack of use of scientific practices in milching, inadequate availability of fodder in all seasons and unavailability of veterinary health services.

Domestic Industry : Production and Demand:

Over 50% of the milk produced in India is buffalo milk, and 45% is cow milk. Buffalo milk has 3.6%

protein, 7.4% fat, 5.5% milk sugar, 0.8% ash and 82.7% water whereas cow milk has 3.5% protein, 3.7% fat, 4.9% milk sugar, 0.7% ash and 87% water. Fresh pasteurised milk is available in packaged form. However, a large part of milk consumed in India is not pasteurised, and is sold in loose form by vendors. UHT Sterilised milk is also available and is becoming popular.

Packaged milk can be divided according to fat content as follows,

- Whole (full cream) milk - 6% fat
- Standardized (tonned) milk - 4.5% fat
- Tonned (low fat) milk - 3% fat

Another category of milk, which has a small market, is flavoured milk.

Milk has been an integral part of Indian food for centuries. Per capita consumption of milk in India is 220 gm per day. However a large part of the population cannot afford milk.

There are major differences in milk consumption in different parts of the country. This has been due to the concentration of milk production in some pockets and high cost of transportation. Milk consumption in northern region averages as high as 400 gms per day compared to a paltry 20 gms per day in the eastern regions.

Only 12% of milk is pasteurised and sold in packaged form. Quality of milk sold by unorganised sector however is inconsistent and so is the price across the season in local areas.

Still, several consumers in urban areas prefer to buy loose milk from vendors due to the strong perception that loose milk is fresh. Also availability of packaged milk is limited by the available processing and packaging capacity. About 75% of milk is consumed at the household level which is not a part of commercial dairy industry. Milk demand in four large metros is estimated to be 6 million ltrs per day, about 40% of which is supplied by 10 public sector and cooperative dairy plants. The bulk of the remainder is supplied by the traditional unorganised sector. In reality however, it poses a higher risk of adulteration and contamination.

Dairy Products Import Demand for institutional sector:

Hotel industry in India is a potential market for variety of cheeses and yoghurt. There is also a demand for good quality milk powder by bakery, Ice cream and other food industries.

Infrastructure and Distribution Channels:

Market size for milk (sold in loose/ packaged form) is estimated to be 33 million tonnes valued at Rs.429 billion. The market is currently growing at round 4-5% pa in volume terms. It is one of the single largest segments amongst food products.

Milk production is largely concentrated in few states namely Uttar Pradesh, Gujarat, Punjab, Rajasthan and Haryana. Milk production grew by a mere 1% pa between 1947 and 1970. Since the early 70's, under Operation Flood, production growth increased significantly averaging over 5% pa.

Among the traditional milk products, ghee is the only product which is currently marketed in branded form. Main ghee brands are Sagar, Amul (GCMMF), Aarey (Mafco Ltd), Vijaya (AP Dairy Development Cooperative Federation), Everyday (Nestle),Farm Fresh (Wockhardt) and Milkfood (Punjab).

With increasing urbanization and changing consumer preferences, there is possibility of large scale manufacture of indigenous milk products also. The equipment in milk manufacturing has versatility and can be adapted for several products. For instance, equipment used to manufacture yoghurt can also be adapted for large-scale production of Indian curd products (*dahi and lassi*). Significant research work has been done on dairy equipment under the aegis of NDDB.

Market Trends:

Consumers while purchasing dairy products look for freshness, quality, taste and texture, variety and convenience. Products like Dahi and sweets like *Kheer, Basundi, Rabri* are perishable products with a shelf life of less than a day. These products are therefore manufactured and sold by local milk and sweet shops. There are several such small shops within the vicinity of residential areas. Consumer loyalty is built by consistent quality, taste and freshness. There are several milk based sweetmeat shops which have built a strong brand franchise and have several branches located in various parts of a city.

Gujarat Co-operative Milk marketing Federation (GCMMF) has also made a beginning in branding of other traditional milk products with the launch of packaged Paneer under the Amul brand. It has also created a new umbrella brand "Amul Mithaee", for a range of ethnic Indian sweets that are proposed to be launched The first new product Amul Mithaee '*Gulabjamun*' has already been launched in major Indian markets.

Western table spreads such as butter, margarine and jams are not very popular in India. All India penetration of butter/ margarine is only 4%. This is also largely represented by urban areas, where penetration is higher at 9%. In rural areas, butter/ margarine have penetrated in 2.1% of households only. The use of these products in the large metros is higher, with penetration at 15%.

Penetration of cheese is almost nil in rural areas and negligible in the urban areas. Per capita consumption even among the cheese consuming households is a poor 2.4kg pa as compared to over 20kg in USA. The lower penetration is due to peculiar food habits, relatively expensive products and also non-availability in many parts of the country. Butter, margarine and cheese products are mainly manufactured by organized sector.

Similarly, penetration of *ghee* (ghee is similar to butter oil with strong aroma) is highest in medium sized towns at 37.2% compared to 31.7% in all urban areas and 21.3% in all rural areas. The all India penetration of ghee is 24.1%. In relative terms, penetration of ghee is significantly higher in North and West which are milk surplus regions. North accounts for 57% of ghee consumption and West for 23%, South & East together account for the balance 20%. A large part of ghee is made at home and by small/ cottage industry from milk. The relative share of branded products in this category is very low at around 1-2%.

Milk powder and condensed milk have not been able to garner any significant consumer acceptance in India as indicated by a very low 4.7% penetration. The penetration is higher at 8.1% in urban areas and lower at 3.5% in rural areas. Within urban areas, it is relatively higher in medium sized towns at 8.5% compared to 7.7% in a large metros.

The packaged milk segment is dominated by the dairy cooperatives. Gujarat Co-operative Milk Marketing Federation (GCMMF) is the largest player. All other local dairy cooperatives have their local brands (For eg. Gokul, Warana in Maharashtra, Saras in Rajasthan, Verka in Punjab, Vijaya in Andhra Pradesh, Aavin in Tamil Nadu, etc).

Over the years, several developments in packaging media have taken place. In the early 80's, plastic pouches replaced the bottles. Plastic pouches made transportation and storage very convenient, besides reducing costs. Milk packed in plastic pouches/bottles have a shelf life of just 1-2 days, that too only if refrigerated. In 1996, Tetra Packs were introduced in India. Dairy co-operatives in Andhra Pradesh, Tamil Nadu, Punjab and Rajasthan sell milk in tetra packs. However tetra packed milk is costlier by Rs.5-7 per litre as compared to milk packed in plastic pouches.

Indian (traditional) Milk products:

There are a large variety of traditional Indian milk products such as:

- *Makkhan* - unsalted butter.
- *Ghee* - butter oil prepared by heat clarification, for longer shelf life.
- *Kheer* - a sweet mix of boiled milk, sugar and rice.
- *Basundi* - milk and sugar boiled down till it thickens.
- *Rabri* - sweetened cream.
- *Dahi* - a type of curd.
- *Lassi* - curd mixed with water and sugar/ salt.
- *Paneer* - milk mixed with lactic acid to coagulate.
- *Khoa* - evaporated milk, used as a base to produce sweet meats.

The market for indigenous based milk food products is difficult to estimate as most of these products are manufactured at home or in small cottage industries catering to local areas.

Market for Western milk products:

Western milk products such as butter, cheese, yogurt have gained popularity in the Indian market only during the last few years. However consumption has been expanding with increasing urbanisation.

Butter

Changing breakfast habits and changes in menu planing is boosting the consumption of butter and cheese.

Most Indians prefer to use home made white butter (*makkhan*) for reasons of taste and affordability. Most of the branded butter is sold in the towns and cities. The 50,000 tonne branded butter market valued at Rs. 6 billion is estimated to be growing at 8-10% pa. The major brands are Amul, Verka, Vijaya, Sagar, Nandini and Aarey. Amul is the leading national brand while the other players have greater shares in their local markets. The latest entrant in the butter market has been Britannia. Britannia has the advantages of a wide distribution reach and a strong brand recall. Priced at par with the Amul brand, it is expected to give stiff competition to the existing players.

Cheese

Branded cheese market is estimated to be 9,000 tonnes per annum valued at Rs.1.8 billion (MRP).

Cheese is mainly consumed in the urban areas. The four metro cities alone account for more than 60% of consumption . Mumbai is the largest market (accounting for 30% of cheese sold in the country), followed by Delhi (20%). Calcutta (7%) and Chennai (6%). Mumbai has a larger number of domestic consumers, compared to Delhi where the bulk institutional segment (mainly hotels) is larger.

Demand for various types of cheese in the Indian market:

Type of cheese	% of total consumption
Processed	50
Cheese spread	30
Mozzarella	10
Flavoured/Spiced	5
Others	5

Before the entry of multinational Britannia in 1997, Amul was the undisputed leader in the cheese market with a market share of about 70%. Other major brands were Vijaya, Verka and Nandini (all brands of various regional dairy cooperatives) and Vadilal. In the past, the market was growing at 7-8% pa. In July '97, Britannia launched cheese made from cow milk in cubes, slices and spread forms. In August '98, Dabon International, a joint venture between Dabur and Bongrain International SAS of France launched the Le Bon brand of cheese. The heavy advertising and promotions being undertaken by these companies is expected to lead to strong 20% growth in the segment. Amul has also become more aggressive with launch of new variants such as Mozzarella cheese (used in Pizza) and cheese powder.

The entry of new players and increased marketing activity is expected to expand the market. All the major players are expanding their capacities.

Capacity in Cheese:

Company	Brands	State	Existing Capacity
Dynamix Group	Manufactures for Britannia	Maharashtra	35 tonnes per day
GCMMF	Amul	Gujarat	20 tonnes per day
Milkfed	Verka	Punjab	
APDCF	Vijaya	Andhra Pradesh	10 tonnes per day

Milk powder

Milk powder are mainly of 2 types

- whole milk powder
- skimmed milk powder

Whole milk powder contains fat, as distinguished from skimmed milk powder which is produced by removing fat from milk solids. Skimmed milk powder is preferred by diet conscious consumers. Dairy whiteners contain more fat than skimmed milk powder but less compared to whole milk powder. Dairy whiteners are popular milk substitute for making tea, and coffee. The penetration of these products in milk abundant regions is driven by convenience and non perishable nature (longer shelf life) of the product.

Major players in Milk Powder:

Milk Powder/Dairy Whiteners : Major skimmed milk brands are Anik Spray (Hindustan Lever Limited), Sagar (Gujarat Co-operative Milk Marketing Federation) and Nandini (Karnataka Milk Federation). Amul Full Cream milk powder is a whole milk powder brand.

Leading brands in the dairy whitener segment are HLL's Milkana, Nestle's Everyday, GCMMF's Amulya, Dalmia Industry's Sapan, Kwality Dairy India's KreamKountry, Wockhardt's Farm Fresh and Britannia's

Britannia Dairy Whitener.

Condensed milk

Condensed milk is a popular ingredient used in home-made sweets and cakes. Nestle's Milkmaid is the leading brand with over 60% market share. The only other competitor is GCMMF's Amul.

Infant foods

Infant foods market is estimated to be 100,000 tonne pa, valued at Rs.20 billion (MRP). Nestle is the market leader in the segment. This is a category where brand loyalties are very strong as mothers want the best for their babies. Heinz is the only other significant competitor to Nestle in this segment. Nestle's Cerelac and Nestum together have 80% market share and Heinz's Farex has close to 18% share. Wockhardt is a relatively new entrant with its First Food brand. Wockhardt also proposes to launch a new baby food 'Easum' containing moong bean powder (moong is one of the easily digestible pulses). The Easum brand will directly compete with Nestle's Nestum (made from rice).

In infant formula also Nestle's Lactogen formula and Lactogen standard formula are the leading brands with a 75% market share. Other brands are Heinz's Lactodex Farex, Wockhardt's Raptakos, and Amul's Amulspray.

Regulations:

The dairy industry was delicensed in 1991 with a view to encourage private investment and flow of capital and new technology in the segment. Although delicensing attracted a large number of players, concerns on issues like excess capacity, sale of contaminated/ substandard quality of milk induced the Government to promulgate the MMPO (Milk and Milk Products Order) in 1992. MMPO prescribes State registration of plants producing between 10,000 to 75,000 litres of milk per day or manufacturing milk products containing between 500 to 3,750 tonnes of milk solids per year. Plants producing over 75,000 litres per day or more than 3,750 tonnes per year of milk solids have to be registered with the Central Government. The stringent regulations, government controls and licensing requirements for new capacities have restricted large Indian and multinational players from making significant investments in this product category. Most of the private sector players have restricted themselves to manufacture of value added milk products like baby food, dairy whiteners, condensed milk.

Proposal to amend the MMPO

A proposal to raise the exemption limit for compulsory registration of dairy plants, from the present 10,000 litres a day to 20,000 litres, is being considered by the Department of Animal Husbandry and Dairying. The 75,000 litre limit is likely to be raised either to 100,000 litres or 125,000 litres in the amended order. The new order would also do away with the provision for re-registration.

For **Labelling and Packaging guidelines** please refer to chapter on regulations in this report.

Import Regulations:

There is no restriction on import of dairy products except Milk food for babies; Butter; Dairy spreads; Melted butter; Processed cheese, not grated or powdered (not containing animal rennet or animal fat).

Restricted items means consumer goods not permitted to be imported except against a licence or in

accordance with public notice issues in this behalf.

Custom Duties:
Total import duty on dairy products ranges from 44.04% to 72.64%.

Strategy for Canadian Dairy Companies:

Industry sources estimate that 20% of agriculture income comes from dairying. About 14% of milk are processed in organised sector.

There is huge potential for value added and speciality dairy products like cheese, lactose free milk, flavoured milk, milk shakes, frozen fruit yoghurt. Cheese based products especially for vegetarian consumer needs targeted promotional efforts.

Baby foods and speciality dairy foods for growing children and health foods is also a big potential market for Canadian companies.

Industry experts are unanimous that the current scenario is no indication of potential demand. They believe that even a low key but sustained advertising effort, backed-up by intensive distribution, could result in volumes in doubling almost immediately.

Chapter 5 - Alcoholic Beverages Market

There is a tremendous scope for Canadian Alcoholic industry for both trading and investment in manufacturing of alcoholic beverages in India. A total investment of Rs. 11,000 million, including foreign investment of Rs. 7000 million, in alcoholic beverage industry in the last six years shows the potential of this sector in the Indian market. Important foreign players present in the Indian market are Seagram, United Distillery with UB group, Carlsberg, Stroch, Hiramwalker (allied Lyon Group) with Jagatjit Industries, IDV (member of Grand Metropolitan group) with Polychem Venture.

Domestic industry: Production and Demand

Organised Alcoholic Beverage industry in India is broadly classified under two headings:

- Indian Made Foreign Liquor (IMFL)
- Beer

Indian Made Foreign Liquor (IMFL):

India has 212 distilleries with an installed capacity of 1,933 million litres per annum. However, there are only 24 units, which produce IMFL, and 31 units, which produce country liquor. Alcohol produced by the remaining units is either sold as industrial alcohol or sold in bulk as potable alcohol to other distilleries, for bottling or for use in making bottled alcohol. This market is estimated at 927.82 million litres. IMFL production primarily comprises Wine, Vodka, Whiskey, Gin, Rum and Brandy. Pre-mixed drinks are also being introduced in India now, such as Gin and Lime and Rum and Cola.

Beer Industry:

Currently there are 36 breweries with a total licensed capacity of 160 million litres per annum whereas current production is estimated at over 300 million litres. According to Industry sources, this is due to increased capacity utilisation in the existing units. The Indian beer market, estimated currently at Rs. 6000 Million a year, has been growing by 15 per cent per annum and has attracted such major global giants as Carlsberg, Heineken and United Distilleries. Draught beer is another recent introduction and has done well. Canned beer has just been introduced.

Wine:

Wine has also begun to be produced on a significant scale in India only recently. Wine manufacturing takes place in both the organised and unorganised sector. Now sparkling wine is also being manufactured in India for the export market.

Opportunities and Constraints:

With increasing urbanisation and exposure to outside world, many of the taboos associated with the consumption of IMFL and Beer are weakening.

As growth rates indicate, the white spirit segment is showing signs of expansion in IMFL category. The per capita consumption of beer in India is just 0.44 lit. per annum compared with Germany's 148 litres per annum. Even though alcoholic beverage manufacturing is one of the least liberalised sectors of India, the industry is expected to grow by 15% per annum in the near future. With the huge estimated demand supply gap in India of nearly 100 million litres, many foreign investors are seeing an ideal condition for investment and trading activity in this sector.

Some of the major constraints are: ban on advertisement, high taxation, licensing, and restrictions on interstate movement of the product both in terms of physical restriction and high tariff barriers. At the same time, however, buoyant demand and good profits are the main reasons of success in alcohol industry in India.

Import Demand for Institutional Sector:

With the economy on an upswing and with the influx of foreign travellers, luxury hotels and tourist-related business are permitted to import most consumer food products including alcoholic beverage for internal consumption, mostly at a reduced tariff against their foreign exchange earnings. The Indian alcoholic beverage market is witnessing a major invasion of foreign brands. All reputed world brands are entering the market, like Black label, Johnnie Walker White, Dewar's, Swing, Bells, Vat 69, Teacher, Royal Stag and various scotch whiskeys and canned beer.

It is important to note that majority of hotel industry prefer to buy imported alcoholic beverages from the outlets of Indian Tourism Development Corporation Limited because this reduces the inventory cost.

Infrastructure and Distribution Channels:

IMFL: With advertising being banned, the industry is distribution driven. All manufacturers attempt to get as wide a distribution of their brands as possible and retailer margins tend to be fairly high about 15-25% of consumer prices, net of taxes.

The distribution of IMFL is complex because different states follow different distribution policies. The existing policies include, distribution channel fully controlled by some state governments, in other states

auction markets (controlled by syndicates), auction in open markets, free market mechanism are in practice. Normally the margin for the distributor is around 5% and the retailer around 20%.

The institutional buyers like hotels and restaurants directly source from the stockists and sell it under the excise permit to their customers.

Beer : Beer is distributed, through state level distributors, to a large network of retailers. Each state has approximately 5,000 retail outlets. All distributors and retailers require a licence issued by state level excise authorities in order to operate. Distributors margin is 5-10% while retailers' margins are 20-30%.

Market Trends and Competition:

IMFL Market: Whisky is the largest selling variety of IMFL accounting for 65% of the total consumer market. The whisky market is further segmented on a price basis like premium, prestige, regular, medium and cheap. White spirits like Gin, Vodka and White rum account for nearly 5-10% of the market.

The major IMFL market players are U B Group, Shaw Wallace & Co., Mohan Meakins, Jagatjit Industries, Khodays and Kedia Group. The IMFL market is witnessing a major invasion of foreign brands. All reputed world brands are set to enter the Indian market as soon as the government removes the quantitative restrictions under WTO agreements by April 2001.

Beer Market: The Indian consumer thinks of beer as being of two types: mild and strong, depending on the alcohol content. Strong beers have an alcohol content in excess of 5% v/v. However, draught and diet beers have been introduced with some success. In terms of types of beer, the market segments are Regular, Strong, Diet, Premium, and draught. The regular beers account for the bulk of the market.

Beer consumption is generally limited to males. Industry experts believe that 80% of beer by males aged between 18 and 35. Approximately 60% of all beer is consumed outside the home, in pubs, beer parlours, restaurants, and even, often within the premises of retail outlet.

The major beer market players are U B Group, Shaw Wallace & Co., Mohan Meakins, Associated Breweries and Khodays.

Import Regulations:

Dual control exists over this industry from both the state and the Centre. It falls under the fermentation category of Industrial Development and Regulation (ID&R) Act and, hence, licence is required to set-up a distillery or a brewery. This license is issue by the central government. Also, since alcohol is a subject of regulation and revenue, State government license is also needed.

Besides licensing Indian beer & alcoholic beverage industry is subjected to control over molasses (its principal raw material); and restriction on advertisements.

The Government of India has banned the creation of additional capacities for distillation or brewing of alcoholic drinks except for 100% Export Oriented Units. This was to divert molasses for the production of industrial alcohol. However, in 1988 the ban on the creation of additional capacity for manufacture of potable alcohol was relaxed in respect of non-molasses based manufacturing units.

The policy in the earlier years was to severely discourage the consumption of alcoholic beverages; the discouragement even extending to the imposition of total prohibition in some states. However, the

resulting problems of illicit distillation, spurious liquor affecting the health of the population, leakage of revenue, and the problems of enforcement, led to a review of the policy. Now, licensing for manufacture of beer has been liberalised for units with 100% Non-resident Indian/Foreign equity.

List of food industries in respect of which dividend balancing with net foreign exchange earnings is necessary for automatic clearance

Manufacture of Beverages
Distilling, Rectifying and Blending of Spirits
Wine Industries
Malt Liquors and Malt
Production of Country Liquors and Toddy (palm based liquor)

Labelling and packaging requirement: for details, Please refer to Chapter on Regulations for Food Industry.

Import Policy:

All items under the alcoholic beverage category are in restricted category. Restricted items means consumer goods not permitted to be imported except against a licence or in accordance with public notice issued in this behalf.

It is expected that by April 2001 these items will be allowed to be imported freely after paying the customs duty.

Custom Duties:

Total import duty on beer made from malt beverage is 118.4 %.

Total import duty on sparkling wine and all other wines (Red, White, Port, Sherry) is 118.4 % plus Rs. 9.0 per litre.

Total import duty on Whiskies, Rum and Tafia, Gin and Geneva, Vodka, Liqueurs and Cordials, etc. is 244.24%.

Strategy for Canadian Companies:

Consumers' tastes and preferences vary frequently and the exporter needs to recognise and react to this accordingly.

Strategic options for brand promotion:
Advertisement through satellite television network.
Companies can also adopt 'model shop' concept. This would provide vital and extremely special visibility to the brands
Use of complementary gift items
Sponsorship of sports and entertainment events
Schemes for dealers and retailers
Seagram has already invested in India and this success story should be considered as live example for opportunities in this market.

Chapter 6 - Regulatory Environment for Processed Food Industry

Long bound by traditions of self- sufficiency and isolation, India now has incentive to cast off dated restrictions on imports of food products. The domestic production of consumer food products, while still small, has fuelled demands for growth.

As new products and technologies emerge and multinational corporations discover the opportunities for investment in food processing here, market forces are exerting further pressure on government agencies to provide trade access.

New food processing industries need products that are scarce in India, as many raw, intermediate and consumer food products have been denied entry via import licensing and other non-tariff barriers.

An economic reform process, which began in 1991, produced the recently announced five-year trade policy (1997-2002), which fully or partially liberalises imports of 365 food products. Among these were items of interest to Canadian exporters--Cheeses, a variety of fruit juices, pulses and processed wheat products (including cereals) and corn for feed use.

The Indian government has been resisting its World Trade Organisation (WTO) market access commitments for agricultural products, claiming its balance of payments (BOP) situation exempts it from responsibility. While foreign exchange reserves were inadequate in the past, the recent $32 billion reserve is comfortable. Thus, India's trading partners are urging India to lift non-tariff barriers that have prevented imports of many food products. India lost case in WTO on quantitative restriction on Imports of Food Products and Agriculture Produce. India has to remove all QRs by the year 2002. However, the Indian government has announced to remove all the QRs by April'2001.

Food Industry Laws in India are Complex and needs upgrading:

Canadian exporters who have been anticipating liberalisation will still have to grapple with India's varied and somewhat dated food sector laws.

Rules regarding food additives and colours, labelling requirements, packaging, weights and measures, phytosanitary regulations and other regulatory issues relating to production and distribution must be studied and followed.

The Indian government is updating portions of the food laws, and some significant revisions are expected.

I. Major Food Laws in India governing Food Trade:

Though there are many laws that govern food products, the following are the most important for importers into India.

The **Prevention of Food Adulteration Act (PFA), 1954,** protects consumers against adulterated food and is comparable to the Federal Food, Drug and Cosmetic Act (FDA) of the United States. PFA applies to domestic and imported food products, encompassing food colour and preservatives, pesticide residues, packaging, labelling and regulation of sales.

India's food laws are found under the**Prevention of Food Adulteration Act (PFA) of 1954** and **PFA**

Rules of 1955, as amended. The Central Committee for Food Standards of the Directorate General of Health Services, Ministry of Health and Family Welfare is responsible for the implementation of the PFA. PFA standards and regulations apply equally to domestic and imported products.

The PFA focuses primarily on the establishment of regulatory standards for primary food products, which constitute the bulk of the Indian diet. While continuously updated, the PFA is not always up to date with advances in the food-processing sector. Moreover, PFA rules sometimes appear to be drafted in a manner, which goes beyond the establishment of minimum product quality specifications, such as prescribing recipes for how food products are to be manufactured. Companies can request to have the PFA amended. However, this is a cumbersome and time-consuming process.

II. Labelling Requirements according to PFA

All product labels must be printed in English, Hindi or Devnagri and provide the following information:
- Name and address of the manufacturer, importer, vendor or packer
- Name, trade name or description of the product
- List of ingredients in descending order of composition by weight or volume
- Net weight, number or volume of contents
- Distinctive batch, lot or code number
- Month and year the product was manufactured or packed
- Month and year by which the product is best consumed (Best Before...)
- *Maximum retail price*

Where applicable the product label should also contain the following:
- The date of expiry, in case of packages of aspartame
- The purpose of irradiation and license number, in case of irradiated food
- Products which claim to be enriched with nutrients such as minerals, proteins or vitamins shall give quantities of such added nutrients on the label.
(Note: The responsibility for labelling lies with the importer.)

Packaging and Container Regulations as per PFA

All units of weight or measure are to be reported in metric.

Food Additive Regulations as per PFA

The addition of colouring to any food, except as specifically permitted in the PFA, is prohibited. The PFA list of permissible colouring additives is given below.

PFA List of Permissible Colouring Additives

Natural colourings which may be used:

- Beta-carotene
- Beta-aop-8'-carotenal,
- Methylester of Beta-apo-8' carotenoic acid
- Ethylester of Beta-apo-8'-carotenoic acid
- Canthaxanthin
- Chlorophyll
- Riboflavin (Lactoflavin)

- Caramel
- Annaatto
- Saffron
- Curcumin (or turmeric)

Synthetic colourings which may be used:

No.	Colour	Common Name	Colour Index	Chemical Class
1	Red	Ponceau 4R	16255	Azo
		Carmoisine	14720	Azo
		Erythrosine	45430	Xanthene
2.	Yellow	Tartrazine	19140	Pyrasolone
		Sunset Yellow FCF	15985	Azo
3.	Blue	Indigo Carmine	73015	Indigoid
		Brilliant Blue FCF	42090	Triarylmethane
4.	Green	Fast Green FCF	42053	Triarylmethane

Use of synthetic colouring in or upon any food other than those enumerated below is prohibited:

- Ice-cream, milk lollies, frozen desserts, flavoured milk, yoghurt, ice-cream mix powder;
- Biscuits, wafers, pastries, cakes, confectionery, thread candies, sweets, and savouries;
- Peas, strawberries and cherries in hermetically sealed containers, preserved or processed papaya, canned tomato juice, fruit syrup, fruit squash, fruit cordial, jellies, jams, marmalade, candied crystallised or glazed fruit;
- Non-alcoholic carbonated and non-carbonated ready-to-serve synthetic beverages including synthetic syrups, fruit bars, fruit beverages, fruit drinks, synthetic soft drink concentrates;
- Custard powder;
- Jelly crystal and ice candy.

The **addition of inorganic matters and pigments** is prohibited in most of the products.

The PFA contains a **list of approved preservatives**, which are divided into the following classes:

Class I	Class II
Common salt	Benzoic acid including salts thereof.
Sugar	Sulphurous acid including salts thereof.
Dextrose	(Nitrates or) Nitrates of Sodium or Potassium in respect of foods like ham or pickled meat
Glucose (syrup)	Sorbic acid including its sodium, potassium and calcium salts, (propionates of calcium or sodium, lactic acid, and acid calcium phosphate).
Spices	Methyl or Propyl parahydroxy-benzoate
Vinegar or acetic acid	Propionic acid, including esters or salts thereof.
Honey	Sodium diacetate, and Sodium, potassium and calcium salts of lactic acid
	Sodium and calcium propionate

Use of Class I preservatives in any food is not restricted, unless otherwise provided in the rules. No more than one Class II preservative may be used in or on any food product. In addition, **the use of Class II preservatives** is restricted to prescribed food groups in concentrations not exceeding proportions established in the PFA.

A positive list is also established for the use of anti-oxidants, emulsifying and stabilising agents. The use

of the **following flavouring agents is prohibited** in any food item.

- Coumarin and dihydrocoumarin
- Tonkabean (Diptery adorat)
- B-asarone and cinamyl anthracilate
- Estragole
- Ethyl methyl ketone
- Ethyl-3-phenylglycidate
- Eugenyl methyl ether
- Methyl B napthyl ketone
- P. propylanisole
- Saffrole and isosaffrole
- Thujone and isothujone

Diethylene blycol and Monoethylether shall not be used as solvent in flavors. Monosodium glutamate may be added to food products (under proper label declaration) provided the total glutamate content does not exceed one percent. It may not be added to food for use by infants below 1 year. The addition of flavoring agents is to be written on the label beneath the ingredients in the following manner: "CONTAINS ADDED FLAVOUR."

Pesticides Residues and Other Contaminants

The PFA includes a positive list for the presence of pesticide residues, which is available in the Act.

It is important to note that PFA lacks standards for many imported foods. Companies can request amendments of the law, but the approval process is complex and lengthy.

The **Standards of Weights and Measures Act, 1976**, and The **Standards of Weights and Measures (Packaged Commodities) Rules, 1977,** regulate goods sold or distributed by weight, measure or number and their labelling.

The **Essential Commodities Act, 1955,** aimed at preventing hoarding, controls production, supply, distribution and trade in certain commodities including cereals, pulses, vegetable oils, cotton, various food items, soaps, oil meals and cotton.

The **Fruit Products Order, 1955,** regulates production and distribution of all fruit and vegetable products, sweetened aerated waters, vinegar and synthetic syrups.

The **Milk and Milk Product Order, 1992,** sets up an advisory board to advise the government on the production, sale, purchase and distribution of milk and milk products in the private sector.

The **Pulses, Edible Oilseeds and Edible Oils (Storage Control) Order, 1977,** maintains supplies and equitable distribution and availability at fair prices of pulses, edible oilseeds and edible oils.

The **Destructive Insects and Pests Act, 1914**, and **Plant Quarantine Rules and Plants, Fruits and Seeds (Regulation of Import into India) Order, 1989,** prevent the introduction of exotic pests, diseases and weeds via imported products.
The Prevention of black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980.
The Monopolies and Restrictive Trade Practices Act, 1969.
Consumer Protection Act, 1986.

The Trade and Merchandise Marks Act, 1958.
(The Indian) Standard Institution (Certification Marks) Act, 1952.
The Agricultural Produce (Grading and Marketing) Act, 1937.
The Environment (Protection) Act, 1986, and The Environment (Protection) Rules, 1986.
Copyright and or Trademark Laws
The issue of Indian copyright and trademark laws is currently being negotiated under the auspices of the WTO.

Chapter 7 - Strategic Options and General Recommendations about Indian Food Market for Canadian Food Companies

To succeed in Indian food market, it is important to understand the dynamics of Indian food market and how various government policies and business environment affect the entry of an imported food product.

In this chapter we will discuss the issues and points which exporters from Canada must appreciate and consider while targeting the Indian market.

1. How to enter the Indian Institutional Food Market with Canadian Processed Foods:

First Target should be Hospitality and Food Service Sector.

We suggest that Canadian Companies must appreciate that Indian Consumers are price sensitive and very traditional in taste. The right approach should be to start with hotel industry and food service and hospitality sector.

It is important to note that the strong demand for hotel space which occurred few years ago has declined in all key segments like Indian business traveller, foreign business traveller, and foreign tourist. However, with the economy on an upswing, profitability is expected to improve. At the same time, Luxury hotels and tourist-related businesses are permitted to import most consumer food products, mostly at a reduced tariff against their foreign exchange earnings.

The value of food products imported by them is estimated at around US$ 30 - US$40 million, which mainly consists of wine and alcoholic beverages, fruits and vegetables, meat, sauces and cheese. This is a potential market for Canadian companies dealing in Alcoholic beverages, Exotic fruits and Vegetables, and canned foods, seasoning, sausages and sauces.

Most hotels source their imports through consolidators located in Dubai, Hong Kong, Malaysia, Amsterdam, Singapore and Australia. Because of high freight costs and the small quantities involved, very little is procured directly from the manufacturers. While leading hotels note the excellent reputation of imported food products from the west but the high cost is often identified as the constraint.

Besides all these constraints, the hotel and tourism sector (which has great potential in India) provides opportunities for Canadian exporters to position themselves either directly or through their agents in India depending upon the volumes.

Food Service Industry is growing very fast and offers opportunities for Canadian Companies:

In Food Service Sector there are lots of activities, after a slow start, the fast food industry has registered

prolific growth of around 40% in recent years. Most multinational fast food chains like McDonald's, KFC, Dominos' Pizza, Pizza Hut - along with local chains such as Nirulas and Pizza Inn are doing a good business in the major urban areas and are now spreading into smaller cities.

Most fast food chains source their major raw materials locally but the suppliers' of high quality value-added foods are still not enough in numbers.

Opportunities:

This sector offers Canadian exporters market opportunities for the sale of some of the products such as French fries, speciality cheeses, some meats and fishery products, flavours, condiments and ingredients to be used in western styled dishes.

Recommendation:

- International Hotel and restaurant Chains like Holiday Inn, Inter-Continental, Hyatt, Best Western, Radisson, Pizza Hut, KFC, Domino's, McDonald can be the first targets in India.
- Participation in Food Festivals and Trade fairs in India
- Hotel and Catering industry is a potential market for Canadian companies dealing in wine and alcoholic beverages, Exotic fruits and Vegetables, and canned foods, Cheese, seasoning, sausages and sauces.
- Canadian companies must send sample to the local user/hotel industry so that they can try their recipes with these new products from Canada.
- Bulk Packaging can be one option for institutional markets and subsidised freight cost should be considered as long term investment for vast Indian markets.

2. How to Select Product range for Indian Food Markets:

Indians believe that food shapes the personality, mood and mind. Many Indians are quite willing to try new foods, but usually return to traditional fare mainly because of taste factor. As discussed in earlier chapters, while Western foods have a reasonably *good chance of succeeding for casual dining*, integrating them into the main meal will be more difficult.

Many Indians are vegetarian by tradition. Among those who are not, beef is generally taboo to Hindus (82% of population), and Sikhs (2% of population), who consider cows a sacred animal. Indians have a strong preference for fresh products and traditional spices and ingredients, which has greatly slowed the penetration of processed foods.

However, with urbanisation, rising incomes, more working women, the arrival of large food multinationals and a proliferation of fast food outlets, acceptance of packaged food products is increasing. However, these products usually must be customised to Indian tastes.

Recommendations:

Consumer markets can be penetrated through Gift Packs of chocolate, almonds and other nuts, alcoholic beverages, juices, cakes and pastries in attractive packaging during festival seasons.

3. Challenges for Entry of Imported Foods for Retail Consumers:

Due to a lack of home refrigeration facilities, most Indians shop daily at small neighbourhood speciality

shops (i.e., fruits and vegetables in one shop, dairy products in another, groceries in a third and meat and meat products in yet another). Only in the past few years have a few Indians been exposed to self-service supermarkets. Availability of many items, particularly fruits and vegetables, is very seasonal and people are accustomed to adjusting their diet to the season. Women do most of the shopping and make most of the food purchase decisions. Most processed foods are sold in small packages/containers due to customers' limited purchasing power.

The biggest challenge is distribution network for retail trade. There are no nation-wide distributors and India has no super markets in the Western sense of the word. 3-4 million small grocery stores operating from villages to large urban centres sell most of the food products. Although the rural market constitutes 70 percent of the market for many products, only about 10-15 percent of consumers with good purchasing power reside there. Accessing these outlets is one of the most formidable challenges facing potential exporters.

While there are no supermarkets, there are some larger grocery and convenience stores located in and around major cities. Based on the concept of supermarkets, there are a few large grocery "chains" which have recently started operating in some major cities. These stores have up to 3,000 - 15,000 square feet of area, and with their self-service approach, are becoming popular. Although the exact size of this segment is not available, roughly less than 5% of the urban population shop in such stores but the trend is increasing. The number and size of these stores is expected to grow as higher-income consumers focus more on convenience and quality as well as the "experience of quality shopping"

These "Indian Super Stores / Markets" typically deal with over 400 distributors / suppliers, each handling 3 to 5 products. Some are interested in sourcing imported food items directly from manufacturers.

The share of imported food products currently being handled by these food chains is relatively small, and consists mainly of sugar confectionery, almonds, fruit juices, ketchup, chocolates, sauces, speciality cheese, canned fruits/vegetables, pre-cooked peas and beans, cookies and cake mixes. It is important for super stores to select a range of products to justify the premium charged on the products to the price sensitive Indian consumers.

Recommendations:

- Potential items are sugar confectionery, dried fruit,, fruit juices, ketchup, chocolates, sauces, speciality cheese, canned fruits/vegetables, pre-cooked peas and beans, biscuits, cookies and cake mixes.
- It is important for Canadian Companies to visit India to make their present felt either by seminars, business delegations and participate in sectoral trade fairs. Display of Canadian products and direct interaction with local companies will build confidence between buyer and sellers.
- While in India, please do not forget to visit traditional retail outlets to understand consumers' buying behaviour and the retail channel for processed foods. This first hand experience will be of great help in understanding unique features of Indian food market

4. Investment in Indian Food Processing for long term profitability:

Only about two percent of India's agricultural output is further processed mainly primary processing like milling, sorting and refining. These value-added food products, however, amount to US$20-25 billion and account for 30% of the total value of the food sector. Although the quality tends to be poor, domestic production is the primary source of competition for foreign suppliers mainly on price parameter.

Trading of processed foods from Canada may not be profitable in the long term as many more nearby countries will enter the Indian market soon. To take advantage of the growing local market, investment in processed food sector is the only solution for long term profitability.

With investment reforms, including deregulation of the food processing industry, the processed food sector has attracted increasing foreign direct investment. Several multinational companies such as Pepsico, McCain Foods, Cargill, Coca-Cola, Kelloggs, ConAgra, Lamb Western, Seagram and Pillsbury have established their presence in India, in addition to fast food chains such as KFC, McDonald's, Domino's, and Pizza Hut and ice cream companies such as Walls and Buskin Robins.

Existing companies like Hindustan Lever, Nestle, Cadbury's, Britannia, Dabur and Godrej have expanded their operations. Entry of the multinationals into the food-processing sector, changing consumer tastes, and the governments' enthusiasm to develop the food processing industry will contribute to continued growth in this sector. New Agriculture policy will lead to more activity in Food Processing Sector.

A study by McKinsey & company, in collaboration with the Confederation of Indian Industry (CII), projects three times growth for the food processing sector - from US$ 20 billion to US$60 billion industry by 2005 - particularly in areas of poultry, dairy, branded wheat flour and bakery products.

Items used in food processing such as cheese powder, flavouring extracts, seasonings, bases, baking ingredients and additives may be expected to grow as higher-income consumers focus more on convenience and quality with variety.

5. Complicated Distribution System coupled with Poor Cold Chain and Overloaded Infrastructure is a serious constraint for Nation-wide reach:

Distribution System:

Most Indian manufacturers and importers use a three-tier distribution structure, which has evolved over many years: i.e., distributor, wholesaler and retailer. Gross margins are typically 4-5, 2-5 and 5--15 percent, respectively. In certain cases it is over 50% retail margin. This system significantly raises the cost of the product to the consumer. These established patterns are, however, slowly giving way to more streamlined operations. Marketers are increasingly outsourcing key distribution and logistical functions and are looking for better ways to reach consumers. With the cost of establishing warehouses becoming prohibitive, clearing & forwarding (C&F) agents are fast becoming the norm.

Typically, most imported food products are transhipped through regional hubs such as Dubai and Singapore due to their liberal trade policies and efficient handling. Major importers are located in Mumbai, Calcutta, Chennai, Delhi and Bangalore. A large share of imported foods enters through illegal smuggling. However, with recent trade liberalisation, smuggling is likely to diminish. Under invoicing is a commonly used practice to lessen import taxes.

Recommendations:

- As far as possible outsource the services because it is better for Canadian exporters to avoid local logistics problems and official formalities.
- At the same time it is advisable to select a business partner for long term interest for better results.

B. Infrastructure constraints:

India has 11 international and 139 minor ports. Most important are Mumbai, Kandla, Jawaharlal Nehru, Cochin, Murmagoa, and New Mangalore on the west coast, and Madras, Tuticorin, Vizagh, Paradeep, and Calcutta on the east coast. Container handling facilities are available at most major ports and in several cities. Only a few ports like Mumbai, Chennai, Vizagh, Tuticorin can berth Panamax vessels, and but the bulk handling facilities are very limited, on these ports.

Refrigerated warehousing and transportation facilities also are limited and costly. Availability of electricity is at least 15 percent short of demand. Whereas infrastructure projects were previously reserved for the public sector, private investors are now being encouraged to participate in developing infrastructure facilities. Telecommunications, in particular, is benefiting from strong foreign investor interest. The pace is much slower for power generation, roads, and other infrastructure needs where the payback takes longer.

Recommendation:

- Existing company with good distribution network in food sector can be the right choice for distributing your products.
- Set-up one liaison office in important city in India and select different distributors for different cities for effective penetration in the important Indian market.

6. Import Duties on Processed Foods

Four types of duties are applicable:

- Basic,
- Surcharge on the basic duty (introduced in this year's budget);
- Additional (or countervailing), and
- Special additional duty (SAD).

7. Outdated Indian Food Laws can act as trade Barrier:

The chapter on legislation related to food industry provides the detail of various food laws in India.

Under the evolving liberalisation of trade, food exporters will have to grapple with India's varied, and somewhat outdated food laws, particularly those relating to use of food additives and colours, labelling requirements, packaging, weights and measures, phytosanitary regulations and other regulatory issues relating to production and distribution. While India is supportive of biotechnology in agriculture, regulations pertaining to commercial imports of "biotech" foods are still vague. The consensus favours labelling of Genetically Modified Foods. Some of the major food laws affecting food exporters are:

a. The Prevention of Food Adulteration Act (1954) and PFA Rules.

This is the basic statute established to protect consumers against adulterated food. The PFA applies to domestic as well as imported foods, and encompasses food colours and preservatives, pesticide residues, packaging, labelling and regulation of sales. Recently some domestic food processors have alleged that several imported processed foods violate PFA rules and have urged the government to "level the playing field."

b. The Standards of Weights and Measures Act (1976) and the Standards of Weights and Measures (Packaged Commodities) Rules:

This act established standards for weights and measures to regulate interstate trade or commerce in goods, which are sold or distributed by weight, measure or number. The Rules formed under the Act require labelling on the nature of the commodity, the name and address of the manufacturer, quantity, date of manufacture, and maximum retail price. Although, primarily applicable to local products, this is likely to become applicable to imported packaged food items as their volume increases. For example, the Supreme Court recently made it mandatory for distributors of imported goods to affix Maximum Retail Price on these products, a requirement previously applicable only to domestic products.

c. Destructive Insects & Pests Act (1914); Plant Quarantine Rules; and Plants, Fruits and Seeds (Regulation of Import into India) Order (1989):

This Act -- along with PFA rules -- establish quality and phytosanitary specifications for imported agricultural commodities. As the regulations are often not transparent, they can give rise to unethical and corrupt practices.

Recommendations:

- Evaluate your recipe and identify the additives used in the products and their status in Indian Food Laws
- If there is any additive permitted under Codex Alimentarius and not permitted in PFA, you can ask for permission by providing technical justifications. This needs constant follow-up because systems are slow in India for clearance.
- Remember, this is a time consuming process, but this issue can be raised at diplomatic level between two countries. Canadian Government can ask for explanation from Indian government under WTO agreements.

8. Finding a Business Partner:

It is essential to survey the existing and potential market for your products and services before initiating export sales to India. Market research firms, located in India, can assist in this effort.

It is generally advisable to export on a FOB basis. It is not recommended to employ a local agent if you already have local distributor for your products. However, in cases where responsibility for port clearance rests with the exporter, it is useful to engage the services of a reputed local customs clearing agent to handle official procedures.

Exporters whose products have promising sales potential usually find many Indian firms interested to distribute their products/services.

Emerging Concepts in Indian Food Businesses:

Franchising :

Franchising is another way of introducing Western products. Companies with franchises in the food sector include KFC, Domino's Pizza, Baskin Robbins, Wimpys, McDonalds and Pizza Hut. Indian companies with strong brand recognition also franchise for business expansion like Mineral water, Beverages, Ice creams, dairy products and Biscuits.

Direct Marketing:

Direct marketing, although becoming more popular, is constrained by poor telecommunication facilities, infrequent use of credit cards and the inefficient state-owned banking system.

Recommendations:

Canadian Export firms should consider the following before selecting an agent:

- Recognise that agents with fewer principals and smaller set-ups often are more adaptable and committed than those with large infrastructures and big reputations;
- Understand that in India it is not uncommon to appoint more than one representative for different locations and markets;
- Check the potential agent's reputation through local industry/trade associations, potential clients, bankers and other foreign companies / missions.

9. Visibility and Sales Promotion of Canadian Foods in India

Advertising and trade promotion are highly developed in India, and most of the multinational firms choose local Indian partners for the promotion of their products as they know India and Indian conditions well.

In addition to government-controlled television in the regional languages (Doordarshan), there are several popular national, international and regional privately-owned channels (Star, Zee, Sony, Sun, etc.).

Most urban households have televisions, and it is increasingly popular in rural areas. India has a diverse and growing number of newspapers and glossy magazines appealing to various social, cultural and gender groups.

An Indian readership survey conducted last year showed that in cities with populations of over 1 million, the reach of various media are - Press (65.5%), television (84.2%), radio (21.8%), cinema (17.2%).

Close to million homes had an Internet connection and this number is expanding rapidly. On an all-India level the reach of media are - press (32.9%), television (46%); radio (17.8%) and cinema (11.7%).

Large number of Trade Fairs in various parts of the country round the year provides opportunities for Canadian exporters to promote their food products.

Recommendations:

- Canadian Companies should participate in sector specific trade fairs in India to display their capabilities and product range
- Canadian Food Industry associations should organise seminars in various parts of the country to highlight their products and technology.
- It is also advisable to organise food festivals titled "Foods from Canada" to attract common public towards Canadian products. Free sampling of foods for the visitors can be an opportunity to conduct product specific survey and ideal place for feedback.

10. Common Business Etiquette in India for the first time business visitor:

- Indian traders are very familiar with Western culture and business is conducted in much the same way as in the U.S. or English speaking countries because most people speak English in India.
- Private business hours usually start late (about 10:00 a.m.) and last well into the evening and the

government and corporate office timings are 9:30 a.m. to 5:30 p.m.

- Whenever you will visit any Indian company office or business establishment it is customary to offer tea / coffee / soft drink, and you are expected to accept. Indians love to talk and businessmen would like to know lots of detail about the business before venturing into the deal.
- While an exchange of gifts is not necessary, most businessmen appreciate token mementoes, particularly if they reflect the subject under discussion.
- Indians are famous for having longer than scheduled meetings, so be sure to schedule plenty of time between appointments. They also expect appointments with western business contacts to begin on time, particularly if it is an introductory call. Try to avoid business breakfast meetings because of religious and family activities in the morning at home and long distances in major cities; lunch and dinner are fine.
- Indian cities have subtropical climates -- hot and humid the year around. Most Indian cities have good hotels and are well connected by airlines. It is safe to dress in trousers, coat and tie.

ANNEX I - Luxury Hotels in India

The Indian Hotels Company Ltd. (Taj Group)
The Purchase Manager
Taj Palace Inter-Continental
Sardar Patel Marg
New Delhi 110 021.
Tel: 91-11-301 0404
Fax: 91-11-301 1252

The Purchase Manager
Taj Mahal Inter-Continental
Apollo Bundar, Kolaba
Mumbai 400 039.
Tel: 91-22-202 3366
Fax: 91-22-287 2711

The East India Hotels Co. Ltd. (Oberoi Group)
The Vice President (Purchase)
East India Hotels Ltd.
7 Sham Nath Marg
Delhi 110 054.
Tel: 91-11-249 2323
Fax: 91-11-249 1217

The Manager (Food & Bev.)
The Oberoi
Dr Zakir Hussain Marg
New Delhi 110 003.
Tel: 91-11-436 3030
Fax: 91-11-436 4251

The Manager (Materials)
The Oberoi
Narman Point
Mumbai 400 021.
Tel: 91-22-202 5757
Fax: 91-22-204 3282/1505

The Welcome Group (ITC Ltd.)
The Manager (Central Purchase)
Welcomegroup Headquarters
25 Community Centre,
Basant Lok, Vasant Vihar
New Delhi 110 057.
Tel: 91-11-674
Fax: 91-11-688 5371

The Manager (Purchase)
Maurya Sheraton Hotel & Towers
Sardar Patel Marg
New Delhi 110 021.
Tel: 91-11-611 2233
Fax: 91-11-611 33 33

The India Tourism Development Corp. Ltd.
The General Manager (MM&D)
I.T.D.C. Ltd.
6Th Floor, Scope Building, Core 8
7 Lodhi Road
New Delhi 110 003.
Tel: 91-11-436 0182
Fax: 91-11-436 0233

The Ambassador Group
The Manager (Purchase)
The Ambassador Hotel
Sujan Singh Park, Cornwallis Road
New Delhi 110 003.
Tel: 91-11-463 2600
Fax: 91-11-463 2252

Bharat Hotels Limited
The Purchase Manager
Hotel Inter-Continental
Barakhamba Avenue
New Delhi 110 001.
Tel: 91-11-332 0101
Fax: 91-11-332 5335
Email: newdelhi@interconti.com

AB Hotel Limited
The Purchase Manager
Raddison Hotel, Delhi
National Highway No.8
New Delhi 110 037.
Tel: 91-11-612 9191
Fax: 91-11-612 9090
Email: raddel@del2.vsnl.net.in

The RPG Group
The Taj Westend
Race Course Road
Bangalore 560 001.
Tel: 91-80-225 5055
Fax: 91-80-220 0010
Email: twebel@giasbgol.vsnl.net.in

Chandigarh Indl. & Tourism Dev. Corporation Ltd.
Hotel Mountview
Sector 10-D
Chandigarh 160 011.
Tel: 91-172-740 544
Fax: 91-172-742 220
Email: citco10@chd.dot.net.in

Hotel Le Meridien Group
The Purchase Manager
Hotel Le Meridien
Windsor Place
New Delhi 110 001.
Tel: 91-11-371 0101
Fax: 91-11-371 4545
Email: info@lemeridien-newdelhi.com

The Purchase Manager
Cidade de Goa Beach Resort
Goa 403 004.
Tel: 91-832-221 133
Fax: 91-832-223 303
Email: hotelcdg@goa1.dot.net.in

The Leela Group
The Manager (Purchase)
Leela Kempinski Hotel
Sahar, Andheri (E),
Mumbai 400 059
Tel: 91-11-836 3636
Fax: 91-11-836 0606
Email: leela.bom@leela.sprintrpg.ems.vsnl.net.in

The Asian Hotels Limited
The Purchase Manager
Hotel Hyatt Regency
Bhikaji Cama Place, Ring Road
New Delhi 110 066.
Tel: 91-11-679 1234
Fax: 91-11-679 1024
Email: hyatt@del12.vsnl.net.in

The Claridge Hotels Private Ltd.
The Manager (Purchase)
Hotel Claridges
12 Aurengzeb Road
New Delhi 110 011.
Tel: 91-11-301 0211
Fax: 91-11-301 0625
Email: claridge@del2.vsnl.net.in

Jaypee Hotels Limited
Jaypee Palace Hotel
Fatehabad Road
Agra 282 003.
Tel: 91-562-330 800
Fax: 91-562-330 850
Email: jaypeeg@nde.vsnl.net.in

Nehru Place Hotels Ltd.
Director (Purchase)
Hotel Parkroyal, New Delhi
Int'l Trade Tower, Nehru Place
New Delhi 110 019.
Tel: 91-11-622 3344
Fax: 91-11-622 4288
Email: sales@parkroyal.co.in

The Purchase Manager
Renaissance Goa Resort
Varca Village, Salcete
Goa 403 721.
Tel: 91-832-745 200
Fax: 91-832-745 225
Email: grresort@goa1.dot.net.in

ANNEX II - BONDED STORES/DIPLOMATIC COMMISSARIES

Cawasji Behramji & Co.
308 Dorin Nariman Street, Fort
Mumbai 400 001.
Tel: 91-22-266 2251/4117/0805
Fax: 91-22-664 117
Contact: Mr Kali S. Mehta

R.R. International
Kapadia Chambers Basement
Devji Ratansey Marg,
Dana Bunder
Mumbai 400 009.
Tel: 91-22-374 5023 / 5020
Fax: 91-22-373 8555
Contact: Mr Ashok Garg

Diplomat Stores
C-1, Shopping Centre
Vasant Vihar
New Delhi-110057
Tel.: 91-11-614 1627/2126
Fax: 91-11-688 1136
Contact: Mr.Roop Madan

Precision Enterprises
C-8/8177, Vasant Kunj
New Delhi-110070
Tel.: 91-11-613 2375
Fax: 91-11-613 2434
Contact: Mr. KS Muddar

Zeenath International Supplies
4, Jaffar Syrang Street
Chennai - 600 001
Tel.: 91-44-510 873
Fax: 91-44-533 1516
Contact: Mr. M Jalal

Commissary Manager
American Embassy
Chanakyapuri
New Delhi-110021

Singaporia Brothers
4/5/6 New Scale Building
M.J. Phule Marg, P.O. Box 324
Mumbai 400 001.
Tel: 91-22-344 2718/5819
Fax: 91-22-343 4719
Email: singemporia@vsnl.com
Contact: Mr Homrez Mehra

K.T. Bond Stores
11/15, Bhandup Street
Dana Bunder
Mumbai - 400 009
Tel.: 91-22-373 4108
Fax: 91-22-374 4989
Contact: Mr. Paras Bhatia

Global Tax Free Traders Inc.
105, Taj Apartment
Factory Road, Ring Road
New Delhi-110029
Tel.: 91-11-332 1115
Fax: 91-11-332 0750
Contact: Mr. SK Wadhera

Rama & Company
5205-6, Basant Road
New Delhi-110055
Tel.: 91-11-362 5819
Fax: 91-11-355 4505
Contact: Rajiv Singhal

Paras Brothers
18-B, Sukeas Lane
Calcutta 700 001
Tel.: 91-33-343 0806
Fax: 91-33-242 9806/8621
Contact: Mr. RK Parsan

Canada, Australia, New Zealand Association (CANZA)
C/o Canadian High Commission
Chanakyapuri
New Delhi-110021

Tel.: 91-11-688 9033
Fax: 91-11-687 2028
Contact: Mr. PV Kutty

Tel: 91-11-687 5000 extn. 3570/3571
Fax: 91-11-687 0072/6579
Contact : Manager

ANNEX III - SOME LEADING IMPORTERS OF VALUE-ADDED FOOD PRODUCTS IN INDIA

Rajesh Brokers
11, Swastik Chambers
Navjivan Press Road, Income Tax
Ahmedabad 380014
Tel: 91-79-754 3311/4411/1911
Fax: 91-79-754 1811
Website: http://www.rajeshbroker.com

N. K. Industries
7th floor, Popular House
Ashram Road
Ahmedabad
Tel: 91-79-658 9321; 658 9323-5 Fax: 91-79-658 5223
E-mail: nkind@ad1.vsnl.net.in
Website: http://www.nkindustries.com
Contact: Nimish Patel, Managing Director

Firas Handicrafts
38, Janpath Complex, Opp. Capital Comm. Centre,
Ashram Road
Ahmedabad 380 009
Tel: 079-658 9070
Fax: 079-539 5805
E-mail: jayinternet@usa.net
Website: http://www.bcity.com/firas
Contact: Rajan Shah

Nilgiris
171 Brigade Road
Bangalore 560001
Tel: 91-80-558 8401/8702/8704
Fax: 91-80-5585348
E-mail: nilgiris@giasbg01.vsnl.net.in
Contact: C. Gopala Krishnan, Director

Kalyana Impex Pvt. Ltd.
8/1, Midleton Row, 5th floor, Suite 7
Calcutta 70071
Tel: 91-33-2292400, 2296317, 2295932
Fax: 91-33-2498269
Contact: Mr. Raj Kumar Kedia, Director

Foods Fats & Fertilisers Ltd.
Fountain Plaza, 7th floor, Pantheon Road, Egmore
Chennai 600008

Evergreen Exports
14, 3rd floor, Maradia Plaza, G.C. Road
Ahmedabad
Tel: 079-640 0201
Contact: K. G. Patel

Satyanarayan Pulse Mill
National Highway No. 8, near S.T. Depot,
Vatva, Gujarat State
Valsad 388 306
Tel: 91-2632-74474, 74497, 74730
Fax: 91-2632-74417
Contact: Mr. Jagdishprasad Agrawal

Anil Associates
14/2, 1st floor, Old Tharagupet
Bangalore 560053
Tel: 91-80-2256837
Fax: 91-80-2256837
E-mail: kanil@bgl.vsnl.net.in
Contact: Mr. K. Anil, Proprietor

Indira Impex
11, Clive Row, 2nd floor
Calcutta 70001
Tel: 033-242 6587/2531
Fax: 033-242 4914
E-mail: impexin@vsnl.com
Contact: R. Agarwala, Partner

Kejriwal Enterprises
P-15, Bentinck St., 1st floor
Calcutta 700001
Tel: 91-33-2365216/5613
Fax: 91-33-2259640
E-mail: calke@satyam.net.in
Contact: Mr. P. Kejriwal

Sankarji Prithviraj
57 Narayana Mudali St., 1st floor
Bhandari Building

Tel: 91-44-826 3121; 825 8259
Fax: 91-44-826 3022
E-mail: fffintl@md2.vsnl.net.in
Contact: S. B. Goenka, Director

Access Commodities Trading Pvt. Ltd.
37, First Floor, Anna Nagar Plaza, Anna Nagar
Chennai 600040
Tel: 91-44-628 7542/7064, 620 2892, 620 2893
Fax: 91-44-626 9099
E-mail: access1@vsnl.com
Contact: Mr. N. Balakrishnan

Lanyard Foods Ltd.
105, 2nd floor, Armenian Street
Chennai 600001
Tel: 91-44-522 0558/0535
Fax: 91-44-524 5866
Contact: Mr. Harsha Kumar, Branch Manager

A. Ahmed Ibrahim & Co.
98, Moore Street
Chennai 600 001
Tel: 91-44-524 9195;9274; Fax: 91-44-524 1593
E-mail: ahmedibrahim@hotmail.com
Contact: A. Ahmed Ibrahim, Partner

KGS Exports Limited
A-213, Karampura
New Delhi 110 015
Tel: 91-11-543 9910; 544 7570
Fax: 91-11-545 1817
E-mail: kgsgroup@vsnl.com
Contact: Sangeet Aggarwal, Managing Director

Geekay Sales Corporation
C-15, Hari Nagar
New Delhi 110 064
Tel: 540 1928; 549 1152; 514 5978
Fax: 540 3638; 614 8212
E-mail: gksc@nda.vsnl.net.in
Website: http://www.geekaysales.com
Contact: R. L. Nayar, Partner

Holy Land Marketing (P) Ltd.
5804, Basti Har Phool Singh
Delhi 110 066
Tel: 91-11-777 3978/7519
Fax: 91-11- 5782 456
Contact: Mr. Vijay Kumar Budhraja, Director

Mohan Food Ind. Ltd.
Chennai 600079
Tel: 91-44-582 708, 582809, 581368
Fax: 91-44-582 708
E-mail: sprgroup@md3.vsnl.net.in
Contact: Mr. Prithviraj, Proprietor

Kamdar Exports
5, Narayana Mudali Lane Sowcarpet, 1st floor
Chennai 600079
Tel: 91-44-582 499, 583257
Fax: 91-44-567 446
E-mail: kamdar@kmr.net
Contact: Mr. Prakash Kumar, Partner

Subburaj Tradings
No. 77, 3rd floor, Thambu Chetty Street
Chennai 600001
Tel: 91-44-522 2671, 523 1990, 526 4504
Fax: 91-44-523 1990, 522 2464
E-mail: deltarmds.hub@smy.sprintrpg.ems.vsnl.net.in
Contact: Mr. Subburaj, Proprietor

Caroline Impex Pvt. Ltd.
A-13, Shivalik, Malviya Nagar
New Delhi 110 017
Tel: 91-11-621 7916
Fax: 91-11- 647 3324
E-mail: geboyt@hotmail.com
Contact: Mr. Geboy Thomas, Managing Director

Duason International
20/5 Old Rajinder Nagar
New Delhi 110 060
Tel: 91-11-571 5023/9929, 572 1193
Fax: 91-11-571 5023, 576 7770
Contact: Mr. Raj Kumar Dua, Managing Director

Harvest Gold Foods India Ltd.
K-5, Malviya Nagar
New Delhi 110 017
Tel: 91-11-641 7349, 622 3634, 628 3259
Fax: 91-11-628 3265
E-mail: adilhassan@hotmail.com
Contact: Mr. Adil Hassan, Chairman

Mehta Bishan Dass & Associates
D-30, Ashok Vihar, Phase I,
Delhi 110 052
Tel: 91-11-742 1091; 713 5641
Fax: 91-11-742 1090
E-mail: mbda@del2.vsnl.net.in
Contact: Mr. Rajkumar Mehta, Partner

NV Business Consultants

Mohan Plaza, 4th floor
600, Katra Ishwar Bhawan Khari Baoli
Delhi 110 006
Tel: 91-11-397 6614; 396 7101
Fax: 91-11-396 7099
E-mail: khandelwalM@hotmail.com
Contact: Mukesh Khandelwal, Director

P.K. Overseas Pvt. Ltd.
18/20, West Eastern Area
Arya Samaj Road, Karol Bagh
New Delhi 110 005
Tel: 91-11-578 7013; 572 3814
Fax: 91-11-575 3967
E-mail: manchand@del2.vsnl.net.in
Contact: Mr. R. K. Rathore, Director

Shakti International
G-3 Lawrance Road
Delhi 110035
Tel: 011-722 7037; 713 4060; 746 6593
Fax: 011-713 5030
Contact: K. K. Kumar, Managing Director

Sunkist Foods (India) Pvt. Ltd.
11-B/1, 2nd floor, Main Pusa Road
New Delhi 110 005
Tel/Fax: 91-11-575 5015
Contact: Mr. S. Kumar, Managing Director

Shalini Impex Pvt. Ltd.
Flat No. 257, Cycle Market, Jhandewalan Extn.
New Delhi 110055
Tel: 91-11-777 9864, 352 6495
Fax: 91-11-753 1377
Contact: Mr. Praveen Aggarwal, Director

Multicom Exports
B-IV/119-120, Dayanand Colony, Lajpat Nagar
New Delhi 110024
Tel: 91-11-641 2758, 646 6374
Fax: 91-11-623 4920
Contact: Mr. Rajinder Dhawan, Proprietor

SGS Agencies Ltd.
A-2, Defence Colony
New Delhi 110 024
Tel: 91-11-463 8201, 464 6291, 464 6292
Fax: 91-11-463 8201
Contact: Mr. Subhash Gulati, Chairman

Kotak Bros.
14 A, Krishna Nagar, Safdarjung Enclave
New Delhi 110 029
Tel: 011-616 0186, 616 6973, 617 9765
Fax: 011-617 9764
E-mail: dmw@del3.vsnl.net.in
Contact: Dinesh Wahi, Partner

Pushp Impex
T-3, Shopping Centre (LSC)
Block-D Prashant Vihar
New Delhi 110 085
Tel: 011-726 2551/7961
Fax: 011-726 2551
E-mail: sofkran@mantraonline.com
Contact: Narinder Bhambri, Partner

Shanker Lal Shri Ram
4101, Naya Bazar
Delhi 110006
Tel: 91-11-291 8512, 395 9037, 397 9312
Fax: 91-11-292 6823
Contact: Mr. Sanjeev Goel, Proprietor

Atul Brewchem Private Ltd.
55 M-Block Market, 1st floor, Greater Kailash-II
New Delhi 110048
Tel: 91-11-644 1881, 647 0996
Fax: 91-11-628 3445
E-mail: atulbrew@vsnl.com
Contacts: Subhash Sarin, Managing Director; Atul Sarin, Technical Director

EK World Overseas Corp. (Regd.)
342/42 Lake View Aptt., Sector-9, Rohini
Delhi 110085
Tel: 91-11-740 0780, 242 7504
Fax: 91-11-726 8512
E-mail: pitamber@del3.vsnl.net.in
Contact: Ms. Hardeep Bhatia, Proprietor

OM Parkash Sat Narain
3822, Arya Samaj Road, Karol Bagh
New Delhi 110005
Tel: 91-11-572 0536, 573 0505
Fax: 91-11-573 0525
Contact: Mr. Satya Narain Mittal, Proprietor

Panthroli Overseas
64, GF, 5-1-527, Jamuna Arcade Jambagh Hyderabad 500095
Tel: 91-40-473 0604/1860
Fax: 91-40-473 4179
E-mail: panthrol@hotmail.com, panthrol@satyam.net.in
Website: http://www.panthroli.com
Contact: Mr. Manoj Kumar

Abdullabhai Abdul Kader

Mahakali Building, 3rd floor, Opp. Jain Derasar,
Pydhonie
Mumbai 400 003
Tel: 91-22-344 1581
Fax: 91-22-344 3972
E-mail: kketan@bom5.vsnl.net.in
Contact: Mr. Ketan Kotak, Partner

Baba Products Company
Ratnadeep C.H.S., Flat No. 23, 17th Road, Chembur
Mumbai, 400 071
Fax: 022-556 2604
Contact: Snjay Shirsai, Proprietor

M. Lallubhai & Co.
185/87, Samuel Street, Ravji Mansion
Mumbai 400009
Tel: 91-22-375 3068/89€9/8228/4957
Fax: 91-22-373 8874
Contact: Mr. Dilip M. Shah, Partner

Rajat Aqua Farms Pvt. Ltd.
302, Joshi Chambrs, Ahmedabad Street, Carnac Bunder
Mumbai 400009
Tel: 91-22-341 1009, 341 4186
Fax: 91-22- 342 7608
E-mail: sham@giasbm01.vsnl.net.in
Contact: Mr. Amit Bendre, Director

K.T. Bond Stores
Abhay Steel House, Basement No. 1
Baroda Street, Dana Bunder
Mumbai 400 009
Tel: 374 2555, 374 6555, 230 7450
Fax: 374 4989
E-mail: ktbs@bol.net.in
Contact: Paras Bhatia, Partner

Dhanraj Chhaganlal & Co.
538-539 Market Yard, Gultekdi
Pune 411037
Tel: 91-20-469 494, 469 595
E-mail: dcandco@giaspn01.vsnl.net.in
Contact: Mr. Sunil Mutha

206, Nagdevi Street
Mumbai 400003
Tel: 91-22-343 7298
Fax: 91-22-343 5976
E-mail: valiulla@bom3.vsnl.net.in
Contact: Mr. Farooq Valiulla, Partner

Enkay Texofood Industries Ltd.
Bhatia Building, 4th floor, 282 Princess Street
Mumbai 400002
Tel: 91-22-206 3054, 207 6311-20
Fax: 91-22-205 8929, 208 3557
E-mail: enkay@bom2.vsnl.net.in
Website: http://www.onjus.com
Contact: Mr. Anup K. Ghosh, Manager

M/S S.N. Poddar And Co.
605, Dalamal Chamber, New Marine Lines
Mumbai 400 020
Tel: 91-22-200 9125, 203 7434
Fax: 91-22-218 4359
Contact: Mr. Tarun Poddar

Siganporia Bros.
4, New Scale Building, Inside M.J. Phule Market
Mumbai 400 001
Tel: 91-22-344 2718/5819, 343 9907
Fax: 91-22-343 4719
E-mail: siganporia@vsnl.com
Contact: Mr. Hormaz E. Mehta, Partner

Indenta Chemicals (India) Ltd.
201, Adamji Building, 2nd Floor, Syed Mukri St.
Katha Bazar
Mumbai 400 009
Tel: 91-22-344 9820, 341 1655, 343 2060
Fax: 91-22-343 2060
E-mail: indenta@hotmail.com
Contact: Mr. M. K. Menon, Managing Director

ANNEX IV - IMPORTANT MULTINATIONAL FOOD COMPANIES OPERATING IN INDIA

Chief Executive
Benevia (Monsanto)
(The Nutra Sweet Company)

Mg Director
Britania Industries Ltd
33, Lawrence Road

A-9, Jawaharanagar
Trivandrum 695 041
Tel. : 0471-69923
Fax : 0471-61519

Mg Director
Bush Boake Allen (India) Ltd.
1-5, Seven Wells Street
St. Thomas Mount
Madras 600 016
Tel. : 044-231 131 (5 Lines)
Fax : 011-234 6017 (Delhi)

G.M. (Corporate Affairs)
Cadbury India Ltd
611-Mercantile Office
15,K.G. Marg
New Delhi 110001
Tel. : 011-332 2019,332 5432
Fax : 011-371 1868

Vice Chairman & Mg Director
Colour-Chem Ltd.
Ravindra Annexe
194, Churchagate Reclamatio
Mumbai 400 020
Tel. : 022-202 2161, 202 7113
Fax : 022-202 9781

Managing Director
Firmenich Aromatics (I) Pvt. Ltd.
Sterling House,
5/7,Sohrabji Santok Lane
Off Kawasjee Marg, Dhobi Talao
Mumbai 400002
Tel. : 022-207 3300
Fax : 022-200 6866

Chairman
Heinz India Ltd.
D-Shivsagar,7th & 8th Floors
Dr Annie Besant Road Worli
Mumbai 400 018
Tel. : 022-497 1972,496 4764
Fax : 022-496 0024,496 2064

President
ITC Agro-Tech Ltd.
(ConAgra Company)
31, Sarojini Devi Road
Secunderabad 500 003
Tel. : 040-7805368, 7805461
Fax : 040-7804376, 7800947

Managing Director
Kellogg India Ltd.
Delhi 110035
Tel. : 011-7187184/7181897 (Delhi)
Fax : 080-560355,011-7183499

Chief Executive
CEBECO India P Ltd.
K-13A, Hauz Khas Enclave
New Delhi 110 016
Tel./Fax : 011-656 8510

Managing Director
Coca-Cola India
Enkav Towers
Udyog Vihar V Gurgaon
Haryana 122 106
Tel. : 0124-348 041
Fax : 0124-348 653

Chairman & Managing Director
Corn Products Co. India Ltd.
7, MIDC Ind. Estate
Thane-Berapur Road
Hazarimal Somani Marg Distt Thane
Thane 400 701
Tel. : 022-204 232/4
Fax : 022-204 6180

President
Godrej Pillbury Ltd.
Pirojsha Nagar, Eastern Express Hgwai
Vikhroli (E)
Mumbai 400 079
Tel. : 022-517 1669
Fax : 022-517 3763

Chairman
Ponds India Limited
C/o Hindustan Lever Limited
Hindustan Lever House
165/166, Backbay Reclamation
Mumbai 400020
Tel. : 0423-42422,42099 (Nilgiris)
Fax : 0423-42422 (Niligirs)

Chief Executive
Indo Nissin Foods Ltd.
IV Floor, Ranka Chambers
31, Cunningham Roadjigani Industrial
Bangalore 562052
Tel. : 080-226 0614,2262898
Fax : 080-220 3996,203996

Country Manager
McCain Food (India) Pvt. Ltd.

Metropolitan Building
Bandra-Kurla Complex
Mumbai 400 051
Tel. : 022-654 1567
Fax : 022-6541574 & 5

Nestle India Limited
DLF Centre
Sansad Marg
New Delhi-110 001
Tel.: 011-332 7370
Fax: 011-372 2741

Mg Director
Perfetti India Ltd
47, Milestone
Delhi-Jaipur Highway Manesar Village
Gurgaon 122 050
Tel. : 91-337337,337338,337339
Fax : 91-330974,337341, 011-4601722(Delhi)

Managing Director
Procter & Gamble
Tiecicon House
Dr. E Moses Road
Mumbai 400 001
Tel. : 022-492 5700
Fax : 022-495 0505

Chief Executive
Raptakos Brett & Co. Ltd.
Dr Annie Bassant Road
Worli
Mumbai 400025
Tel. : 022-4934251 (5 Lines)
Fax : 022-492 2841

Seagrams Manufacturing Pvt. Ltd.
5th Floor, Block 4-B
DLF Corporate Park
DLF Qutab Enclave Phase-III
Gurgaon-122 002
Tel.: 011-916-358 001
Fax: 011-916-358 070

Director
Smithkline Beecham
1, Jai Singh Road
Post Box No.407
New Delhi 110 001
Tel. : 011-371 6134,3361156
Fax : 011-371 6136,3360882

C-11, Commercila Complex
Safdarjung Development Area
New Delhi - 110016
Tel. : 011-652 7181/7062
Fax : 011-652 7196
Email: mccainin@ndf.vsnl.net.in

Mg Director
Pepsico Restaurants Intl (India) Pvt Ltd
12, Community Centre
Saket
New Delhi 110017
Tel. : 011-685 0400
Fax : 011-685 0474

Chairman
Pfizer Ltd
Pfizer Centre
5, Patel Estate S V Road, Jogeshwari (W)
Mumbai 400 102
Tel. : 022-202 2824
Fax : 022-204 2476

Chief Executive
Quest International India Ltd.
6, Saki Vihar Road
P O Box No.8920 Saki Naka
Mumbai 400072
Tel. : 022-578 2305/6/7/8
Fax : 022-5787787

Director
Roche Scientific Co.(India) P. Ltd.
B\2, Amarchand Mansion, Ist Floor,
Madam Cama Road,
Mumbai 400 039
Tel. : 022- 2876750
Fax : 022- 2021204

President & Mg Director
Searle (India) Ltd.
21-d, Sukhadvala Marg
Post Box No.233
Mumbai 400 001
Tel. : 2047731,9733,7636
Fax : 2047009

Chief Executive
Tropicana Enterprises P Ltd.
C-37, Pamposn Enclave
New Delhi 110 048
Tel./Fax : 011-6291931,6291932

McDonald Corporation
Hardcastle Restaurants Pvt. Ltd.
Ashiana, 69-C, Bhulabhai desai Road
Mumbai, Maharashtra 400 026
Tel.: 022-367 0113
Fax: 022-367 0380

ANNEX V - LEADING INDIAN MANUFACTURERS OF FOOD PRODUCTS

Managing Director
A V Thomas & Co. Ltd.
Post Box No.1685
Panampilly Nagar Perumannor
Cochin 682 015
Tel. : 0484-363 909/363 979/363 864
Fax : 0484-362 541

Mg Director
A V Thomas Indusl. Products Ltd.
72-E, Chesney Estate
Commander-in-Chief Road
Chennai 600 105
Tel. : 044-8251897
Fax : 044-8251912

Vice President (Commerical)
Agro Tech India Ltd.
Dhillon Complex Manimajra
Chandigarh 160 101
Tel. : 0172-40396/32574
Fax : 0172-44801

Chairman
Ahhar International India Pvt Ltd.
G-37, Lawrence Road
Institutional Area
Delhi 110035
Tel. : 011-718 2439,7104759
Fax : 011-718 6220

President
Akay Flavours & Aromatics Ltd.
Nallanikunnu, Wlavumthitta.P.O.
Pathanamthitta-689 625, Kerala, India
Kerela 689 625
Tel. : 0473-353099,357471,357487
Fax : 0473-357471

Chairman
Al-kabeer Exports Ltd.
91, Jolly Maker Chambers No.2
Nariman Point
Mumbai 400 021
Tel. : 022-202 5768
Fax : 022-202 8475

General Manager
Allahabad Canning Company
P O Bamrauli
Dist- Allahabad, Up
Allabahad 211 012
Tel. : 0532-633 461,633 035,633 042
Fax : 011-331 9078

Mg Director
Allana Cold Storage Pvt Ltd
Allana House, 4, Allana Road
Post Box No.997 Colaba
Mumbai 400 039
Tel. : 022-287 4455
Fax : 022-204 4821

Mg Director
American Heathcare & Food Pvt. Ltd.
Bharat Yuwak Bhawan
1,Jaisingh Road
New Delhi 110 001
Tel. : 011-336 2715
Fax : 011-334 2473

Director
Amrapali Foods Ltd
Ujjawal 2nd Floor
Bailey Road
Patna 800 001
Tel. : 0612-234 051,234 898;
Fax : 0612-230 958

Jt. Managing Director
Amrit Banasapti Co. Ltd. (Food Division)

Director
Aquarius Overseas Pvt Ltd.

G T Road, Amrit Nagar
Ghaziabad 201 009
Tel. : 0119-700 688,700 175,700 176
Fax : 0119-700 190,700 642

Managing Director
Arambagh Hatcheries Ltd.
59-B, Choowringhee Road
Calcutta 700 020
Tel. : 033-240 2179 / 240 2760
Fax : 033-247 4137

Director
Associated Beverages Pvt Ltd
2nd Floor, 7th Heaven Complex
G S Road, Ulubari
Guwahati 781 007
Tel. : 0361-545 680,547 755
Fax : 0361-542 412

Partner
B G Chitale, Chitale Dairy
Bhilawadi Station
Dist-Sangli Tal. Tasgaon
Maharashtra 416 303
Tel. : 02336-40049
Fax : 02336-40050

Works Manager
British Health Products (I) Ltd.
A-581, (B) Industrial Area
Distt. Alwar
Bhiwadi (Raj.) 301 019
Tel. : 01493-20550,20559 & 20403
Fax : 01493-20560

Managing Director
Cima Foods P Ltd.
117/O/64, Plot No.22
Geeta Nagar
Kanpur 208 025
Tel. : 0512-240194,243675
Fax : 0512-243675

Dy Managing Director
Dabur India Limited
22, Site IV Sahiabad
Ghaziabad 201 010
Tel. : 011-332 9021(4 Lines)
Fax : 011-332 0613

Chief Executive
Danapur Flour Mills Pvt Ltd.
Nasriganj
Patna 800012
Tel. : 0612-427 642,427 646

E-341, Greater Kailash-i
New Delhi 110 064
Tel. : 011-642 1986
Fax : 011-645 2373

Managing Director
Asian Seafoods Ltd.
55, Kirlampudi Layout
Visakhapatnam 530 023
Tel. : 0891-575 634,572 049
Fax : 0891-551 329

Chairman
B E C Foods Ltd.
A Unit of Bhilai Engineering Ltd
13,Masjid Moth DDA Commercial Complex
New Delhi 110 048
Tel. : 011-643 4987,621 7142
Fax : 011-641 9076

Marketing Manager
Balakrishna Hatcheries (Food Division)
172, Kavi Lakshmeesha Road
Visveswarapuram
Bangalore 560 004
Tel. : 080-681 1659
Fax : 080-661 2767

Mg Director
Campa Beverages Pvt Ltd
8, Mohan Singh Building
Connaught Lane
New Delhi 110 001
Tel. : 011-331 6881
Fax : 011-331 5567,331 4615

Chief Executive
Cochin Spices Ltd.
Kakkanad
Cochin 682 030
Tel. : 0484-422 650
Fax : 0484-424 577

Executive Director
Dalmia Industries Ltd.
8A, A-Atma Ram House
1, Tolstoy Marg
New Delhi 110001
Tel. : 011-331 7596,331 7546
Fax : 011-3315826

Chairman
Daurala Sugar Works
Daurala Distt
Meerut 250221
Tel. : 01237-588 095

Fax : 0612-654 756

Managing Director
Dhampur Investors Ltd.
24, School Lane,
Opp. Hotel Intercontinental
New Delhi 110 001
Tel. : 011-3350961,3720141
Fax : 011-3352591

Chief Executive
Duke & Sons Pvt Ltd
Off Sion Trombay Road
Chembur
Mumbai 400088
Tel. : 022-551 1740
Fax : 022-551 4143

Chief Executive
Esskayjay Plantations Ltd.
7 B Kiron Shanker Roy Road
Calcutta 700 001
Tel. : 033-243 0775/6
Fax : 033-220 7348

Chief Executive
Flex Foods Ltd
A-108, Sector-4
Noida 201 301
Tel. : 0119-537148, 522558
Fax : 0119-537148

Director
Ganesh Rice Mills Ltd.
805 & 806, Central Plaza
2/6, Sarat Bose Road
Calcutta 700020
Tel. : 033-74 5893
Fax : 033-74 5234

President
Gour Nitye Tea & Industries Ltd.
901, Tolstoy Hosue
15-17, Tolstoy Marg
New Delhi 110 001
Tel. : 011-332 4272
Fax : 011-372 0003

Mg Director
Gum Products Pvt Ltd
No.7, 5th Cross Street
C I T Colony Mayapore
Madras 600 004
Tel. : 044-4992841,4993199
Fax : 044-6943926,4996698

Fax : 01237-543 927

Managing Director
Dharampal Prem Chand Ltd.
A-3, Sma Industrial Area
G T Karnal Road
Delhi 110033
Tel. : 011-721 7260
Fax : 011-721 7261

Chief Executive
Duncans Tea Ltd
Block-C, 3rd Floor
Calcutta 700016
Tel. : 033-205 216
Fax : 033-205 373

Chairman
Falcon Marine Exports Ltd.
A/22, Cuttack Road
Falcon House, Ist Floor
Bhubansewar 751 006
Tel. : 0674-413408,482365
Fax : 0674-482618

General Manager
Fruit and Vegetable Project
Industrial Area Phase-I
Mangolpuri
Delhi 110 083
Tel. : 011-7272896,7272897
Fax : 011-7277816

Managing Director
Godrej Foods Ltd.
Plot No.5,
New Industrial Area No.1 Mandideep,
Distt. Raisen (M.P.)
M.P. 462 046
Tel. : 07480-33405,33406
Fax : 07480-33409

Managing Director
Gujrat Co-op Milk Mktg Fed. Ltd.
Amul Dairy Road
Post Box No.10
Anand 388 001
Tel. : 02692-23 221,23 319
Fax : 02692-24 950

Director
Haldiram Bhujiwala (Regd.)
B-1/H-8, Mohan Cooperative Industrial Estate
Main Mathura Road
New Delhi - 110 044
Tel. : 011-695 9386
Fax : 011-695 9085

Mg Director
Haryana Milk Foods Ltd.
78/3, Janpath
New Delhi 110 001
Tel. : 011-3321392
Fax : 011-3325068

Director
Hind Foods Industries Ltd.
B-3, Friends Colony
Main Mathura Road
New Delhi 110 001
Tel. : 011-691 8786 (5 Lines)
Fax : 011-682 1137

Managing Director
International Export House
Building No.8-1-332/3/A108/A
Soughat Villa, Arvind Nagar Colony Tolichowki
Hyderabad 500 008
Tel. : 040-3562066,3561904
Fax : 040-3562066

Director
Kar. Breweries & Distils. Pvt. Ltd.
No.17, Sankey Road
Bangalore 560 020
Tel. : 080-336 4732,360 993
Fax : 080-360 040

Chairman
Keventer Agro Ltd.
21, Gopal Mukherjee Road
Calcutta 700 002
Tel. : 033-557 9045/46
Fax : 033-557 5066

Mg Director
Kirson Food Processing Ltd.
F-20/7, Karunamoyee Housing
Estate, Salt Lake City,
Calcutta 700 091
Tel. : 033-359 0044
Fax : 033-379 083

Director
Kwality Ice Cream India Ltd
6-D, Park Plaza (6th Floor)
71, Park Street
Calcutta 700 016
Tel. : 033-45 1771(4 Lines)
Fax : 033-49 5186

Chief Executive

Mg Director
Hickson & Dadajee Ltd.
Shree Pant Bhawan
Mamasaheb Warerkar Bridge P B No.4126
Mumbai 400 002
Tel. : 022-363 4760,363 3947
Fax : 022-364 0604

Managing Director
I T C Ltd.
37, Chowringhee Road
Calcutta 700 071
Tel. : 033-249 2286/5337
Fax : 033-245 2257

Director
K C Das Pvt. Ltd.
3, Rama Krishna Lane
Calcutta 700 003
Tel. : 033-337 998/335 455
Fax : 033-337 998

Chairman
Kejriwal Enterpises
312, World Trade Cnetre
Barakhamba Lane
New Delhi 110 001
Tel. : 011-341 2880
Fax : 011-341 2884

Director
Khyber Agro Farms P Ltd.
Ist Floor,S.D.P.S. Building
Gonikhan Hozuri Bagh Road Kashmir
Srinagar 190 001
Tel. : 0194-453 006,477152
Fax : 0194-475 711

Chairman
Kwality Ice Cream Co.
Prop. Kic Food Products Pvt Ltd
29, Hanuman Road
New Delhi 110 001
Tel. : 011-336 1163
Fax : 011-373 3869

Mg Director
L S P Agro Pvt Ltd.
298-B, Surmangalam Main Road
Salem 636 009
Tel. : 0427-212516,212513,213579
Fax : 0427-213652

Chief Executive

Lotus Chocolate Company Ltd.
No.6-3/A/1/1, Rajbhavan Road
Somjiguda
Hyderabad 500 082
Tel. : 040-332 3966/67/68
Fax : 040-332 1312

Director
Mahashian Di Hatti (P) Ltd.
MDH House
9/44, Industrial Area Kirti Nagar
New Delhi 110 015
Tel. : 011-5440447,5937341
Fax : 011-5441810

Mg Director
Modern Food Industries (India) Ltd.
Palika Bhawan, 3rd Floor
R K Puram Ring Road
New Delhi 110 066
Tel. : 011-6872773,676501,6885452
Fax : 011-6872773

Chairman
Monginis Foods Ltd.
Off. Link Road, Andheri (West)
Mumbai 400 053
Tel. : 022-634 4786
Fax : 022-634 4795

Mg Director
Narang Industries Ltd
28, Sardar Patel Marg
New Delhi 110 021
Tel. : 011-604 255,604 266
Fax : 011-301 3687

Executive Director
Nutrine Confectionery Co Ltd
B V Reddy Colony, P B No.38
Chittor 517 001
Tel. : 08572-29969-76
Fax : 08572-26646

Managing Director
Paprika Oleo's India Ltd.
1, Patel Road
Virudhunagar 626 001
Tel. : 04562-42043,45490
Fax : 04562-45904

Chief Executive
Parle (Exports) Pvt Ltd
3/9, Shanti Niketan

Mahaan Dairies Ltd.
78/3, Janpath, 2nd Floor
New Delhi 110 001
Tel. : 011-335 3191/2/3/4
Fax : 011-3718056

Mg Director
Marico Indsustries Ltd.
Rang Sharda, 5th Floor
K C Marg, Bandra Reclamation
Mumbai 400 050
Tel. : 022-645 0212
Fax : 022-642 2205

Chief Executive
Mohan Meakin Ltd.
Mohan Nagar
Ghaziabad 201 007
Tel. : 0119-735233
Fax : 0119-732502

Chief Executive
Mound Shivalik Breweries Ltd
Bhankarpur, Distt. Patiala
Patiala (Punjab)
Tel. : 01769-70151
Fax : 01769-70051

General Manager
Nirulas Corner House Ltd.
L-Block, Cannaught Circus
New Delhi 110 001
Tel. : 011-332 2419, 332 9465
Fax : 011-332 4669

Director
Pan Foods Ltd
Mahajan House
E 1 & 2 NDSE-I
New Delhi 110 049
Tel. : 011-6448798/9
Fax : 011-6449106

Chief Executive
Parle (Exports) Ltd.
Western Express Highway
Andheri (Eest)
Mumbai 400 099
Tel. : 022-8367121/26
Fax : 022-8368787

Chairman
Parle Products Ltd
Nirlon HSE

New Delhi 110 021
Tel. : 011-6872181,671359
Fax : 011-6878187

Vice President
Parrys Confectionery Ltd
P B No.2040
234, Nsc Bose Road
Chennai 600 001
Tel. : 044-534 0514,5340251
Fax : 044-534 0858,5341135

Chairman
Premier Industreis (India) Ltd.
107, Floorrnt Marg
12/2, R N T Marg
Indore 452 001
Tel. : 0731-543705,434175,432390
Fax : 0731-431730

Chief Executive
Punjab Meats Ltd.
Sco,62-63, Sector 34 A
Chandigarh
Tel. : 0172-613 941, 663866
Fax : 0172-663 866

Chairman
SYP Agro Foods Ltd
3rd Floor, Mahashakti Complex
Stadium Cross Road Navrangpura
Ahmedabad 380 009
Tel. : 079-408 850
Fax : 079-268 251

Director
Shivalik Foods Pvt Ltd.
309, Meghdoot Building
94, Nehru Place
New Delhi 110 019
Tel. : 011-644 5754,6212815
Fax : 011-646 8613

Proprietor
Southern Spice Products
Subbaiah Naidu Industrial
Complex Y Pudupatti
Amrumbanur Post-625 107
Madurai (North)
Tel. : 0452-822731, 822736, 822823
Fax : 0452-822824

Mg Director
Tarai Foods Ltd
B-200, Mount Kailash Appts.
254, B Dr. A Basant Road
Mumbai 400 025
Tel. : 022-834 2491,8341492
Fax : 022-838 0771,8360151

Mg Director
Pioma Industries
Rasna House
Panchwati
Ahmedabad 380006
Tel. : 079-6423860,6427774
Fax : 079-6402574

General Manager
Punjab Agro Industries Corpn. Ltd.
2-a, Sector 28-a
Madhya Marg
Chandigarh 160 002
Tel. : 0172-281 57/31467
Fax : 0172-403 98,40098

Vice-president
S M Dyechem Ltd
S M House
11, Sahakar Road Vile Parle (East)
Mumbai 400 057
Tel. : 022-837 7549/50
Fax : 022-837 0783

Managing Director
Septu (India) P Ltd.
"Septu House", 12/7, Urban Estate
Gurgaon 122 001
Tel. : 0124-371354,371346,
Fax : 0124-322997

Partner
Shivambu International
B28/2, Wazirpur Industrial Area
Delhi 110 052
Tel. : 011-7452713,7421091
Fax : 011-7421090

Chief Executive
Supriya Agro Tech Ltd
215, Kailash Hills
East Of Kailash
New Delhi 110065
Tel. : 011-6914223,6834377
Fax : 011-6855245

Chief Executive
The Anil Starch Products Ltd.
P B No.10009, Anil Road

East of Kailash
New Delhi 110065
Tel. : 011-641 4930,6424839
Fax : 011-647 4329

Managing Director
The Delhi Flour Mills Co Ltd
8377-81, Roshanara Road
New Delhi 110 007
Tel. : 011-2526445,2526219,233298
Fax : 011-2932409

General Manager
Tropical Fruits International Ltd.
Opp Harekrishna Hills
Mahalakshmi Layout,
Bangalore
Karnataka 560 086
Tel. : 080-332 1972,3322457
Fax : 080-332 1972

Partner
Unicorn Agro Ltd.
Flt No.63, Shama Apartments
138/1, Prenderghast Road
Secunderabad 500003
Tel. : 040-847 769, 811554
Fax : 040-842 399

Managing Director
Usha India Ltd.
Ansal Chamber -i, Bikaji Cama Place
New Delhi 110 066
Tel. : 011-688 4535, 6873447
Fax : 011-688 4390

Managing Director
Vadilal Industries Ltd.
Vadilal House
53, Shrimali Society Navrangpura
Ahmedabad 380 015
Tel. : 079-656 4019 to 25
Fax : 079-656 9027

Mg Director
Vasu Home Products Pvt Ltd
P B No.316 No.92
Industrial Suburb
Mysore 570 008
Tel. : 0821-35772
Fax : 0821-31865

Executive Director
Weikfields Products Co. (I) Pvt Ltd.
Weikfield Estate Nager Road
Ahmedabad 380 025
Tel. : 079-212 3222
Fax : 079-211 0731

Chief Executive
The Midland Fruit And Vegetable Product (I) P Ltd.
Jumbo House Jumbo Industrial Estate
P O Oklha Industrial Estate
New Delhi 110 020
Tel. : 011-6911302, 6828752
Fax : 011-6838087

Executive Director
Uncle Chipps Co. Ltd.
C-34, Phase-II
Noida 201 305
Tel. : 0119-562254,549/113
Fax : 0119-567431,562635

General Manager
United India Foods
377, Suryanarayana Street
Madras 600081
Tel. : 044-595 1273
Fax : 044-595 6672

Sr General Manager
Ushodaya Enterprises Ltd.
B-1531, Agarsen Dharmashata Marg
Shastri Nagar
Delhi 110 052
Tel. : 011-753 7142
Fax : 011-339 3640

Chief Executive
Valentine Agro Ltd
202, Siddhayog,
1253, Old Prabhadevi Road
Mumbai 400 025
Tel. : 022-436 2469
Fax : 022-433 0487

Mg Director
Venky's Foods (I) Pvt Ltd.
Venkateshwara House
3 No. 114/A/2 Pune - Sinhagad
Pune 411 030
Tel. : 020-422 530, 422259
Fax : 020-422 277

Director
West Coast Home Products Ltd
P B No.6897

Pune 411 014
Tel. : 020-680 111/2
Fax : 020-680 380

President
Windsor Foods Ltd
Post Box No.278 N H W 8
Makarpura
Vadodra 390 014
Tel. : 0265-443701-2
Fax : 0265-442897

Mg Director
Yummee Foods Pvt Ltd
8-2-293/K/153, Ist Floor
Phase III Kamalapur Colony Main Road
Hyderabad 500 073
Tel. : 040-217 805
Fax : 040-216 032

58, Hosur Main Road Near Madiwala P O
Bangalore 560 068
Tel. : 080-553 4814, 5531069
Fax : 080-553 3022

Chairman
Wockhardt Ltd
Dr A Basant Road
Worli
Mumbai 400 018
Tel. : 022-493 8530/50-55
Fax : 022-495 0365

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